

The Capability Approach and the Implementation of Anti-Poverty Policy in Mexico

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Cand. Polit Thesis in Political Science
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UNIVERSITETET I OSLO

Autumn 2005

Abbreviations

ATR	Asistente Tecnico Regional (Regional Technical Assistant)
CCT	Conditional Cash Transfer Program
CEPAL	Comisión Económica para America Latina (Economic Commission of Latin America)
CIESAS	Centro de Investigación y Estudios Superiores en Antropología Social (Institute for Anthropological Social Studies)
CONEVYT	Consejo Nacional de Educación para la Vida y el Trabajo (National Council of Education for Life and Work)
DIGEPO	Dirección General de Población de Oaxaca (Oaxaca's office of population studies)
EZLN	Ejército Zapatista de Liberación Nacional (Indigenous resistance movement in Chiapas)
IDB	Inter-American Development Bank
IFPRI	International Food Policy Research Institute
IMSS	Instituto Mexicano del Seguro Social (Mexican Institute of Social Security)
INEGI	Instituto Nacional de Estadística Geográfica e Informática (National Institute of Geographical and Informational Statistics)
INSP	Instituto Nacional de Salud Pública (National Institute of Public Health)
MDG	Millennium Development Goal
NAFTA	North American Free Trade Organization
NCO	<i>Oportunidades</i> ' national coordinating body
PAN	Partido Acción Nacional (National Action Party)
PND	Programa Nacional de Desarrollo Social 2001-2006 (National Social Development Program)
PNE	Programa Nacional de Educación (National Program for Education)
PNS	Programa Nacional de Salud (National Program for Health)
PRI	Partido Revolucionario Institucional (Institutional Revolutionary Party)
PROGRESA	Programa de Educación, Salud y Alimentación (Program of Education, Health and Nutrition)
PRONASOL	Programa Nacional de Solidaridad (National Solidarity Program)
SEDESOL	Secretaría de Desarrollo Social (Department of Social Development)
SEP	Secretaría de Educación Pública (Department of Public Education)
SES	Secretaría de Salud (Department of Health)
UNAM	Universidad Nacional Autónoma de México (Autonomous University of Mexico)

Glossary

Contigo	'With You' – President Fox's development strategy
Enlace	A person that functions as a link between a local community and <i>Oportunidades</i> ' officials
Jornaleros agrícolas	Migrant workers who travel for several months a year to other, more productive regions elsewhere in Mexico or the United States
Jóvenes con Oportunidades	Youth with Opportunities – a program that helps high-school students, who receive support from <i>Oportunidades</i> , to save money for higher education
Mixe	Ancient Mexican culture that was predominant in the Oaxaca Valley after the Zapotecs, and whose descendants constitute one of Oaxaca's major indigenous groups.
Los Pinos	The President's principal workplace and official residence
Peso	Mexican Currency. 100 pesos were worth 62.48 nkr on July 27, 2005
Platicá	Health talk at local health clinics
Ranchería	A small settlement
Solidaridad	National Solidarity Program
Titulare	Name of <i>Oportunidades</i> beneficiaries (head of the household)
Vocale	An elected <i>titulare</i> that functions as a voluntary representative of <i>Oportunidades</i> , and whose responsibility is to invite other beneficiaries to send their children to school and visit health clinics
Zapoteco	Ancient Mexican culture that originated in the Oaxaca Valley, and whose descendants constitute another of the state's major indigenous groups.

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Acknowledgements

I wish to thank my supervisor Dan Banik, whose support and guidance helped realize this project. Further, I wish to thank Fritt Ord and the Department of Political Science for financial support and the opportunity to conduct fieldwork in Mexico. Thanks to my parents, Klaus Hennig, and especially to Ana Laura Jiménez whose inspiration eased my stay in Oaxaca. I am forever grateful to Maja and her continued encouragement and presence throughout this process.

In loving memory of Elsie Nilsen!

Trond Tjelta,

Oslo, October 23, 2005.

Map of Mexico



Figure 1.1: Map of Mexico and Sierra Norte Region (area of study)

Source: <http://www.lib.utexas.edu/maps/Americas/Mexico>

1. Introduction

This thesis explores one type of public anti-poverty policy that has become predominant in Latin America – conditional cash-transfer (CCT) programs. Further, it discusses if and how a school of thought called the capability approach can contribute to the improvement of this type of policy.

CCTs are programs aimed at alleviating poverty by building human capital through education, health and nutrition. Cash is given directly to program beneficiaries in exchange for them meeting certain conditions, such as sending their children to school, visiting health stations, and consuming nutritional supplements. I have chosen to study Mexico's CCT program *Oportunidades*, or 'Program for the Development of Human Opportunities' as its full name reads, which is the longest running national program of its type, and which has been hailed as a success by both the Mexican Government and the Inter-American Development Bank (IDB). It is the principal anti-poverty program of the Mexican government, and represents over 45 percent of the country's annual anti-poverty budget.

The capability approach is a theoretical perspective within economics and development theory that focuses on people's capabilities when measuring welfare, rather than focusing on mere income or utility (both playing an important role throughout the literature on development economics). The approach builds on ideas developed by Professor Amartya K. Sen from the 1970s onwards, and has gained considerable attention, as well as fierce criticism, that has helped to keep up its vitality as an important contribution in the debate on human development. As an increasing number of scholars have discussed and applied the capability perspective within different contexts throughout the last decade, it is becoming evident that certain aspects need further clarification. So far few studies have explored the capability approach in relation to poverty, and more work is needed if the approach is to confirm its relevance as a development paradigm. Due to the approach's somewhat complex concepts and diffuse applicability, this thesis contributes to the debate by

analyzing the approach in the empirical context of anti-poverty policy implementation.

1.1 The Purpose of the Study

Mexico's minister of social development, Josefina Vázquez Mota, agrees with Amartya Sen that a life led in poverty is a life deprived of freedom. She cites him in the introduction to the official *Oportunidades* plan, and argues that the nationwide program will expand poor Mexicans' abilities to control their own development, and to live independent and dignified lives – a task that is carried out by building and securing people's human capital through investments in education, health and nutrition.

Whether or not *Oportunidades* is the 'best practice' in order to alleviate poverty in Mexico is a question beyond the scope of this thesis. Rather, it seeks answers to a two-folded research problem, based on the use of both implementation theory and the capability approach. The overall aim of the thesis is to explore how *Oportunidades* functions, and whether the capability approach can contribute to its improvement. It is done through a set of interrelated questions. First, implementation theory is applied to seek out relevant factors related both to the program's implementation process and results, in order to answer the following research question: **What are *Oportunidades*' main characteristic features?** Relevant questions to ask in this regard are how the program addresses poverty reduction, and whether implementation efforts are sufficient to meet policy objectives. These findings, which are based on data gathered during fieldwork in the Mexican state of Oaxaca, are thereafter applied in the context of the capability approach, and the other research question is explored: **To what extent is *Oportunidades* influenced by the capability approach?** Whether such an influence exists or is relevant is sought through an analysis of the capability approach in relation to the findings from the implementation analysis. An important question becomes: How can the capability approach contribute to the improvement of *Oportunidades*? Inherent in this lies another question, which reflects a pressing issue if the capability approach is to

progress from a theoretical reflection to a development paradigm: To what extent can the capability approach be operationalized in the context of anti-poverty policy?

While the answer to the first research question is based on empirical data, the other question is answered on the basis of a critical reading of relevant capability literature, both that of Sen and others.

1.2 Why study *Oportunidades*?

When the member states of the United Nations unanimously adopted the Millennium Declaration in September 2000, they set the agenda for a policy aimed at achieving specific development goals within 2015. This agenda consisted of what subsequently became known as the Millennium Development Goals (MDG), and since then governments around the world have adopted different strategies in order to implement developing policies. The first MDG is to reduce the proportion of people living in extreme poverty – defined as earning less than one dollar per day - in half by the year 2015 (United Nations 2003: 3).

CCTs have become a key strategy amongst Latin American governments when approaching the problem of extreme poverty, and international organizations have supported this strategy. According to Britto (2004: 5):

UN agencies and development banks are unanimous in highlighting CCTs as one of the ‘best practices’ of social protection in Latin America. This support is not only rhetorical, but also practical as considerable funding has been given to the dissemination of program experiences, expansion of existing initiatives and replication of similar programs elsewhere.

To date, there are 27 countries that are implementing programs based on the *Oportunidades* model.

Mexico’s first major attempt at poverty reduction during the era of structural adjustment was launched as the national solidarity program *Solidaridad* in 1989. It was, however, dismantled a few years later due to severe criticism of the clientelistic and neopopulistic practices embedded in the program (Menocal 2001: 519). Along came membership in the North American Free Trade Organization (NAFTA) and the Zapatista (EZLN) revolt in 1994, the Mexican peso crisis of 1995, the Asian

economic crisis of 1997, and finally PROGRESA, which was launched by President Ernesto Zedillo and the Institutional Revolutionary Party (PRI) in 1997. This constituted a change in the social policies of Mexican governments. A new generation was in charge of running the show, and the result was a program in line with the international debate on poverty reduction and social development. The founding fathers of PROGRESA had studied at universities in the United States, and were influenced by the cognitive school of thought and new institutionalism. The result was a new program aimed at the poorest individuals within society in order to build their capabilities and generate opportunities for the future. It was the first CCT program on a national scale, and consisted of cash and in-kind transfers to beneficiary households, on the condition of school attendance by children up to the age of 18, and regular visits to health centers by all the household members. All benefits were transferred to the female heads of the recipient households, and the cash transfers for school attendance were higher for girls than boys.

Following a regime-change in 2000, president Vicente Fox and the National Action Party (PAN) responded to the problems of poverty by renaming and expanding the former government's principal antipoverty program. PROGRESA became *Oportunidades* the subsequent year, and currently the program benefits about five million families and represents between 45 and 50 percent of Mexico's anti-poverty budget.

Oportunidades is part of an overall development strategy that was launched by the government as the country's National Development Plan 2001-2006. The document describes a vision of a Mexico that by 2025 "will be a fully democratic nation with a high quality of life that will have reduced its extreme social imbalances and will offer its citizens opportunities for integral human development and a living coexistence based on the full respect of the rule of law and human rights" (SEGOB 2001: 37).

Besides *Oportunidades*, the Fox administration also addresses poverty and inequality through a variety of smaller programs dealing with health insurance, access to education, infrastructure, micro-financial schemes and housing.

The program's two main objectives are: 1) to increase the basic capabilities of families living in poverty through a three-way strategy of education, health and nutrition; 2) to extend the access of families living in conditions of poverty to opportunities of development, promote individuals' security and self-sufficiency to strengthen their wealth, and to organize and coordinate the efforts of other actions and social development programs (SEDESOL 2003).

A key aspect of *Oportunidades* is that all cash-support is handed out directly to the mother of the beneficiary household. This is based on the notion that women are better administrators of household-budgets, and that the support is more likely to go to the children's education and health when the money is taken care of by their mothers. At the same time, the support is withdrawn if the children fail to attend school regularly, or if family members fail to meet at health talks and controls. Moreover, an integrated part of the program is evaluations, which are conducted regularly by external research institutions. These evaluations have given the program credibility both within the country and within international financial institutions, and, thus, have ensured that the program both survived the greatest transfer of political power in Mexico during the last 70 years, and received funding for four more years of operation from IDB earlier this year.

Studying a program like *Oportunidades* is important in order to understand Mexico's poverty reducing strategy. Further, as more governments are implementing similar policies, this type of studies might generate knowledge on whether a CCT is the right mean to reach the first Millennium Development Goal.

1.3 Methodology

Due to the research problem's form and current nature the case-study approach has been chosen. Yin (2003: 13-14) defines a case study as an empirical inquiry that "investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident." He further states that the case study inquiry copes with situations where there are many more variables of interest than data points, and therefore "relies on multiple sources of

evidence,” and “benefits from the prior development of theoretical propositions to guide data collection and analysis.” Thus, the case study approach ends up being the best-suited strategy as the case at hand is *Oportunidades*’ implementation process, which among other criteria involves multiple variables.

The study is conducted as a single-case study, and more explicitly what Anderson (1997: 73) refers to as an implicit comparative study. The rationale for this choice is an interest in the case at hand (*Oportunidades* implementation in Oaxaca), which appears to be a typical example of a phenomenon (CCT programs) whose importance has increased over the last few years. Further, by linking the empirical case with the theoretical universe of the capability approach, the research-focus is transferred away from the unique, and the single-study is made implicitly comparative. By analyzing *Oportunidades* and extracting variables (characteristics) that are applied within the context of the capability approach, the thesis’ aim of exploring the approach’s potential for improvement of anti-poverty policy fits into the framework of implicit comparative studies. Although not an obvious modification of theory, the study can make theoretical contributions that modify certain aspects of the capability approach.

Case studies have, however, been criticized for leading to questionable generalizations (compared with quantitative studies), and a single-case study like this provides a more porous foundation for generalizations than a multiple-case study would. It is thus by no means a one-way ticket to solid generalizations. This depends on the validity and reliability of the collected data, and on the researcher’s abilities as an analyst. However, qualitative methods, in contrast to quantitative, allow the researcher to get a deeper understanding of how and why processes work (or do not work).

Fieldwork

With scholarships from “Ikke-Europeiske Studier” at the University of Oslo and the organization “Fritt Ord”, I was able to conduct fieldwork in the Mexican state of Oaxaca for six weeks in the spring of 2005. During this period I spent about two-and-a-half weeks in Mexico City, and the rest of the time in Oaxaca. Throughout my first

week I interviewed individuals working with *Oportunidades* in Oaxaca City, and talked to program-officials and community-representatives in the state's northern mountain region – the *Sierra Norte* region (see Figure 1.1). I then went to Mexico City where I interviewed individuals at the program's national headquarters and academics at the autonomous university of Mexico (UNAM). Throughout the stay I also tried to arrange interviews with representatives from the health and education departments, as well as representatives from different political parties and journalists. Although these efforts proved fruitless, the process gave me an understanding of the broad political support the program enjoys in the diverse political environment of Mexico's capital.

Back in Oaxaca, I spent the rest of my time in the state capital with several trips to the *Sierra Norte* region. Altogether I conducted about 30 interviews, of which half were in-depth (lasting about an hour or more). Among those interviewed was central and local *Oportunidades* officials and implementers, local program assistants, beneficiaries, law-enforcement agents, bank-officials, and academics. In addition to conducting interviews, I observed a community meeting between local politicians and program officials, the payout of benefits, and the training of local program assistants. The fieldwork was mostly focused on two municipalities – *Tamazulapam del Espíritu Santo* and *San Pablo Macuilianguis* –but I also traveled around the *Sierra Norte* region and both observed local conditions and talked to people in communities supported by *Oportunidades*. Unfortunately I did not interview, both due to time-restrictions and a lack of response to my approaches, government politicians, journalists, health officials or teachers. Still, I consider the collected data to be sufficient in order to single out the main characteristics of the program's implementation. However I only got to spend six days out in the mountain region. The rest of the time was needed in the state capital and Mexico City in order to collect information on the implementation process. A couple of days were also spent in the Mexican bureaucracy on the look-out for a research permission, which certain community-leaders required in order to allow interviews, but which in the end proved impossible to obtain (without a large sum of pesos and weeks of collecting necessary

documentation). This prevented me from gathering information among *Oportunidades*' beneficiaries in a systematical manner, and thus put a stop to my original plan of spending more time in the *Sierra Norte* region.

The interviews and the time spent observing the daily operations of the program gave me valuable information on the implementation process, and, thus, supplied me with data that I would never have been able to obtain without conducting fieldwork. Still, more time and the procurement of a research permit would have allowed for a more comprehensive gathering of data.

As I carried out interviews, which were semi-structured, one-on-one interviews, I did my best to follow good conduct for fieldwork and interviewing. This involves being respectful, listening to the informants, ask for permissions, and generally conduct oneself in accordance with general civility and local customs (Hesselberg 1998).

Most of the interviews were conducted in Spanish or English, without the services of an interpreter. When interviewing beneficiaries in *Tamazulapam*, I used an interpreter to translate from *Mixe* to Spanish. I never used a tape-recorder, but relied instead on listening and taking notes.

In order to carry out the study, data on *Oportunidades* has been collected from multiple sources. The data was mainly collected from primary sources through interviews and observations, and secondary sources such as official documents, research-papers, newspaper-articles, official web pages, and relevant literature on Mexico and the program. The official evaluation-documents were also used extensively when exploring the program's performance in relation to beneficiaries.

Using multiple types of sources as in this thesis provides the opportunity to achieve what Yin (Ibid: 99) refers to as 'construct validity'. This implies a convergence of evidence known as 'data triangulation', where you have multiple sources as part of the same study, but they nevertheless address the same facts. In the context of a recent initiative like *Oportunidades*, it is arguably important to apply this technique, as the program is widely supported by the donor community. According to Britto (2004: 7), this support can be problematic when conducting research, because a

lot of studies and reports are published as grey literature by governments or organizations. Thus, as she argues: “This material tends to highlight all the good things about CCTs, with little information on their potential problems, making it more difficult to convey an objective overview.”

Case Study Area

The United States of Mexico is a federal republic, much like its northern neighbor the United States, with a population of 106 million people. It is divided into 31 states (plus the Federal District Mexico City), which consists of more than 2,400 municipalities. The political system is based on a balance between three autonomous branches of government: the executive, the federal legislature, and the judicial. However, one of the main characteristics of Mexican politics until recently besides centralism, a strong presidency, and clientelistic incorporation of the electorate has been the integration between the institutional revolutionary party (PRI) and the state apparatus. PRI came to power in 1929, and held on to the presidency until 2000, when Vicente Fox of the national action party (PAN) came to power. Throughout PRI's 71 years in power, it was common practice to use government resources to advance the party's cause, and officials on federal, state and municipal level usually represented the president's preferences.

According to Craig and Cornelius (1995: 289), the presidency was the “core of Mexican authoritarianism and the fundamental obstacle to genuine democratization.” It was an authoritative one-party system that despite ‘the dirty war’ of the 1960s and 1970s, and continuing political violence and repression, distinguished itself from other authoritarian regimes in Latin America. According to Rueschmeyer et al. (1992: 199), the Mexican system relied more on co-optation than repression. In addition, it did not have a mass base, and granted considerable room for the expression of political dissent. It also “proved to be very flexible and capable of adapting to changing conditions.” The latter laying the ground for the PRI regime's downfall, as elections became increasingly more open throughout the late 1980s and 1990s, until the peaceful transfer of power in 2000.

With the highest per capita income in Latin America (\$5,910), Mexico has

established itself as a middle-income country (Mexico Country Brief 2005). Life expectancy at birth is today at 73.6 years, and the average literacy rate is over 90 percent. There are, however, great inequalities hidden within these numbers. Fifty-three percent of the country's population is poor (living on less than \$2 per day), while 24 percent is considered extremely poor. This inequality is reflected in the distribution of income, where the richest tenth earns over 40 percent of total income, while only 1.1 percent goes to the poorest tenth of the population (Ibid.). There are also regional and ethnical differences, and the southern states of Chiapas, Guerrero and Oaxaca, which have the highest concentration of indigenous people in Mexico, experience deep economic disparities both within states and compared with the industrialized northern states. Even though these three states only represent 10 percent of the country's population, they are home to one quarter of the population that is defined as living in extreme poverty (Hall & Humphrey 2003: 6). These states' current condition has no single explanatory factor. Rather, it is the result of both historical and current socio-economic, political and geographical factors. Still, if one desires an easily understandable explanation to a complex issue, the following statement gives a simplistic overview of the situation:

... the southern states have historically been viewed by federal authorities principally as a source of low-priced raw materials, energy, and labor. Whenever investments were made in the south, they were mainly aimed at extractive industries whose benefit was felt more in the rest of the country than in the south itself. What the south has historically lacked, and continues to lack, is any concerted effort on the part of the federal government to invest in the south's own productive capacity beyond extraction of raw materials (Ibid: 20).

Oaxaca, located in the South-east of Mexico, is one of the most culturally diverse states in the country with the presence of 15 of the country's 56 ethno-linguistic groups. The state's population of 3.2 million people (4.8 percent of Mexico's total population) is spread out in 570 municipalities, wherein more than 30 percent of the population is indigenous in a majority of these.

With 64 percent of the population living in localities with less than five thousand inhabitants, a large part of the population is dependent on the land to make a living. This, together with the fact that close to 72 percent of the population is living

on incomes less than two minimum salaries, has made rural conflicts more common as communities are fighting over scarce land-resources. Combined with accusations of corruption and human rights violations within the state government and police, the state has seen incidents of violent conflict lately, and tensions are running high in certain areas.

The low population density, combined with the rugged terrain and low government spending on infrastructure, has led to a situation where 40 percent of the state's localities are not served by a road (Ibid. 12). At the same time, the Mexican government estimates that 83 percent of the soil in Oaxaca is degraded. This implies that the rural population of Oaxaca faces difficulties both when cultivating land and transporting produce to inner-state markets. As a result, Oaxaca (and neighboring state Guerrero) sends the highest number of *jornaleros agrícolas* to agricultural regions elsewhere in Mexico and to the United States (Ibid. 18).¹ According to Hall and Humphrey (ibid. 18):

Remittances from migrant workers in Guerrero and Oaxaca are estimated to reduce the share of the population in poverty by 2 percentage points – not a large number on the face of it, but roughly equal to the effectiveness of poverty reduction programs such as *Oportunidades*. Temporary migration also is associated with a 20 to 25 percent increase in per capita income.

My decision to focus the fieldwork on Oaxaca was based on the fact that it is one of the poorest states in the country, and one of the states with the highest number of CCT-beneficiaries. Its proximity (seven hours on bus) to Mexico City also made it convenient, as I had to make a couple of visits to the Capital on different occasions during my fieldwork. Further, by focusing on one specific region, the *Sierra Norte*, and two municipalities therein, I was able to make more efficient use of my time and concentrate on an area where I knew program activities would fit my schedule.

The *Sierra Norte* region, which is one of eight regions in the state, is located a couple of hours North-east of Oaxaca City. It is made up of the three districts *Ixtlán*, *Villa Alta* and *Mixe*, and is considered to be one of the most marginalized regions in

¹ These are workers that migrate to other regions for several months a year before returning.

the state (DIGEPO 2002: 103). Marginalization is based on an index constructed of levels of income, literacy, education and housing.

Tamazulapam del Espíritu Santo is a semi-urban municipality of 6700 people in the *Ixtlán* district of *Sierra Norte*. It is characterized as a highly marginalized municipality, which implies that about 40 percent of its population above 15 years of age is illiterate, and almost 60 percent of the same group has not completed primary school. Further, 75 percent of *Tamazulapam*'s population lives on less than two minimum salaries, and almost 40 percent of households have no electricity.

The municipality is made up of an indigenous population of *Mixe* origin, and only two percent of the population speaks Spanish. The population mainly works on the land, growing maize and wheat.

San Pablo Macuiltianguis is a small rural municipality located in the *Ixtlán* district (same as *Tamazulapam*). Its economy is based on its forests, as timber is sold to the major timber-industry near the state's capital. Compared with *Tamazulapam*, the *Zapoteco* population of 1100 persons is faring better than the *Mixe* population, with an illiterate percentage of twenty percent, and only two percent of households without electricity. (Ibid: 107).

1.4 Outline

In the following chapter I present theory and discuss its different aspects, as well as develop an analytical framework. Then, in chapter three, I apply the framework to the empirical data and analyze the implementation process in order to single out a few key characteristics of both *Oportunidades*' implementation process and performance. These findings are forwarded to chapter four, where I conduct an analysis that explores whether the program has been influenced by the capability approach. Further, I discuss how the capability perspective might help improve the policy, and whether it is possible to operationalize the approach in the context of anti-poverty policy. Finally, I conclude the thesis with a summary of the findings and a remark on their practicability.

2. Theoretical Approach

In this chapter I develop a theoretical framework that will be applied to the analysis in the subsequent chapters. The chapter is divided into the following four parts: (1) A discussion on the concept of poverty and policy, (2) a presentation of implementation theory, followed by a discussion on the contributions within implementation literature that are of relevance to this study, (3) a presentation of the capability approach and some criticism, and (4) an operationalization of theoretical concepts.

2.1 Poverty and Policy

If someone was asked to define poverty, answers would probably vary from chronic hunger to deprived existence. In between might exist answers like lack of income, insufficient nutrition, pain, vulnerability, or inadequate housing. None are wrong, and none describes the whole concept of poverty. What the answers represent is the confusion the concept of poverty has excited in scholars, politicians and policy designers faced with the issue. There are no obvious, one-sided answers to what poverty constitutes or what causes it, and this has led to a flow of suggestions on remedies that might prevent, reduce or eradicate this evil. The World Bank (1990: 26) defines poverty as “the inability to attain a minimal standard of living.” Implicit in this definition is the “expenditure to buy a minimum standard of nutrition and other basic necessities” and to “participate in the everyday life of society.”

This is a consumption-based definition, and constitutes one possible understanding of poverty. Another possibility is the United Nations’ (1995)² definition of absolute poverty:

Absolute poverty is a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information.

² In Gordon & Spicker (1999: 7)

People living in conditions of deprivation know very well the hardships of their own lives, and when asked they can share reflected thoughts on what it constitutes and what makes for helpful remedies.³ Unluckily, the idea of poverty is highly politicized. The official concept of poverty has changed drastically over the years, and it still varies between countries and organizations. First of all there has been a lively debate on how to define poverty. Second, there has been a change of perspective with regards to remedies.

Two central actors in the international debate on poverty during the 1980s and 90s were Amartya Sen and Peter Townsend, who discussed absolute versus relative understandings of poverty. Sen represented the absolutists, and argued: “There is...an irreducible absolutist core in the idea of poverty (...) If there is starvation and hunger then - no matter what the relative picture looks like - there clearly is poverty” (Sen 1983: 159). This idea is further accounted for in the following statement:

Poverty is not just a matter of being relatively *poorer than others* in the society, but of not having some basic opportunities of material well-being – the failure to have certain minimum “capabilities” (...) people’s deprivations are judged absolutely, and not simply *in comparison* with the deprivations of others in that society (Sen 1985: 669-670).

Townsend, on the other hand, disagreed and argued that even the absolutist core is relative to society. He defended a social definition of poverty, and stated:

People are relatively deprived if they cannot obtain, at all or sufficiently, the conditions of life – that is the diets, amenities, standards and services – which allow them to play the roles, participate in the relationships and follow the customary behaviour which is expected of them by virtue of their membership in society (Townsend 1993: 36).

In addition to the consumption and absolute/relative-based definitions, there are definitions based solely on income. The most widely used is the World Bank’s ‘a-dollar-a-day’ adjusted measurement of extreme poverty (Gordon & Spicker 1999: 149). Other more comprehensive definitions are based on social indicators. These have been used in the World Bank’s World Development Report, as well as the UN

³ The term ‘deprivation’ implies a lack of something. According to Gordon & Spicker (1999: 36), “deprivation refers to a lack of welfare, often understood in terms of material goods and resources but equally applicable to psychological factors.” Sen (1989: 15) sees deprivation “in terms of the failure of certain human capabilities that are important to a person’s well-being.”

Development Program's Human Development Report, where income/consumption based measures are supplemented with social measures like life-expectancy and infant mortality (Banik 2004: 13). Lastly, participatory definitions include the concepts of vulnerability and entitlements. Vulnerability relates to risk associated with poverty, and means "defencelessness, insecurity, and exposure to risk, shocks and stress" (Gordon & Spicker (1999: 142). A person's 'entitlements' is the "set of alternative bundles of commodities over which a person can establish command" (Dr  ze & Sen 1989: 9).

Following the debt crisis of the 1980s came a period of structural adjustment in most Latin American countries. According to McNeill (2004), there was a "reaction against policies directly targeted towards poverty reduction." This reaction was influenced by the neo-liberal agenda, and the dominating idea was that open economies would lead to growth, which then would lead to poverty reduction. Nevertheless, it became increasingly accepted throughout the 1990s that poverty and inequality in turn has an effect on growth. It was claimed that openness increases volatility, which hence threatens security and growth. Thus, "both addressing structural inequalities and vulnerability to risk are important," and hence, the provision of basic services like health and education, is vital for growth (Ibid.). Behind this acceptance of social services as a necessity in the quest for economic development laid ideas that were shaped and inspired throughout the 1980s and early 1990s. Concepts like human capital and human capabilities were increasingly used, and worldwide indicators like the Human Development Index were developed. Mexico was no exception to these shifting trends, and together with worsening social conditions, the government's focus gradually shifted to the issue of anti-poverty policy.

With this shift towards a more poverty-oriented policy environment, combined with the ambiguity connected to the concept of poverty, it became clear that a more precise standard might be needed. By the late 1990s, Townsend and other researchers promoted the development of an international effort to "improve the accepted meanings, measurement and explanation of poverty, paving the way for more

effective policies” (Gordon & Spicker 1999: 159-160). Others, like Paul Spicker, argued that that no link necessarily exists between precise definitions and effective response. He stated: “the only way to be sure that a policy is beneficial to the poor is to see what effect it has in practice” (Ibid).

Throughout the next sections I will lay the grounds for a study where *Oportunidades*’ definitions and effects are analyzed, and further, whether the capability approach might contain elements that are of significance to this type of policy.

2.2 The Implementation Approach

While politics can be described as the business of regulating, distributing and redistributing, implementation can be described as the process of realizing political goals. In order to study implementation processes, it is helpful with a framework that includes relevant factors and actors, and, thus, can help determine both the process and the results. According to Jenkins (1978):⁴

A study of implementation is a study of change: how it occurs, possibly how it may be induced. It is also a study of the micro-structure of political life: how organizations outside and inside the political system conduct their affairs and interact with each other; what motivates them to act in the way that they do. And what might motivate them to act differently.

The implementation approach is a ‘theoretical school’ within public administration and policy studies that has gained increasing popularity since the 1970s. In 1973, Pressman and Wildavsky pioneered the study of implementation processes with their analysis of a federal job-creation program in Oakland, USA (Younis & Davidson 1990: 4). Since then, implementation literature has increased enormously in quantity, and has moved in two distinct directions – the top down approach and the bottom up approach.

The top down approach, also known as the ‘decision oriented’ approach, views implementation as “the execution or carrying out of a public programme aimed at

⁴ In Younis & Davidson (1990: 5)

achieving specific policy objectives” (Banik & Kjellberg 2000: 22). It is a policy centred approach that deals extensively with formal stable structures in the implementation process, and stresses the importance of administrative controls.

One of the earliest contributions within this approach was Van Meter and Van Horn’s article “The Policy Implementation Process” (1975), where they outlined a theoretical framework based on the notion that the natural starting point is “with the policy itself, where goals and objectives are established” (Ibid: 458). Building on the initial policy, where especially objectives and resources are of importance, their model moved on to four independent variables which they considered of importance for the implementation’s performance: (1) Inter-organizational conditions, (2) characteristics of implementing agencies, (3) economic, social and political conditions, and (4) the disposition of implementers (Ibid: 463).

Another main contribution within the approach is that of Mazmanian and Sabatier (1983: 20), who define the implementation process as follows:

Implementation is the carrying out of a basic policy decision, usually incorporated in a statute but which can also take the form of important executive orders or court decisions. Ideally, that decision identifies the problem(s) to be addressed, stipulates the objective(s) to be pursued, and, in a variety of ways, “structures” the implementation process.

Based on this decision, they sought answers to the following questions (Sabatier 1993: 266):

- 1) To what extent were the actions of implementing officials and target groups consistent with the objectives and procedures outlined in that policy decision?
- 2) To what extent were the objectives attained over time, i.e. to what extent were the impacts consistent with the objectives?
- 3) What were the principal factors affecting policy outputs and impacts, both those relevant to the official policy as well as other politically significant ones?
- 4) How was the policy reformulated over time on the basis of experience?

These variables were compiled into a list of necessary conditions for effective implementation of policy objectives that include the following: Clear and consistent objectives; legal structures to enhance compliance by actors; adequate causal theory; committed and skilful implementing officials; support of interest groups, and changes

in socio-economic conditions (Ibid: 268).

As the name implies, the top down approach analyses the institutional structures of an implementation process from the perspective of central decision makers. This, according to critics of the approach, can result in neglect of other actors (ibid: 275), and is sought corrected in the other major approach within implementation theory.

The bottom up approach, which is also known as the "process oriented" approach, starts off from the opposite perspective as that of the top down (Kjellberg & Reitan 1997: 153). Rather than a hierarchical focus on the consistency between the decision and performance of a policy, it "starts by identifying the network of actors involved in service delivery in one or more local areas and asks them about their goals, strategies, activities, and contacts" (Sabatier 1993: 277). These contacts are then used to identify other relevant actors in the implementation of the policy. Thus, it focuses on the structure of the implementation process by studying the networks of interaction, both formal and informal, between individual actors.

According to Kjellberg and Reitan (1997: 153) this approach is highly influenced by a user-oriented decentralization perspective. Whereas the top down approach emphasizes policy maker's control of the implementation process, the bottom up approach emphasizes the individual actor on a local level. A central contribution within this approach is that of Hjern and Porter (1993: 251), who considered implementation structures as relevant when analysing public policy. They promoted "not only the use of implementation structures as a new unit of analysis, but also that this unit is the core of a strategy for administering multiorganizational programmes."

Another contributor to the bottom-up perspective is Michael Lipsky, who in "Street level bureaucracy" promotes a local focus to implementation studies. He argues:

...the decisions of street-level bureaucrats, the routines they establish, and the devices they invent to cope with uncertainties and work pressures, effectively *become* the public policies they carry out...public policy is not best understood as made in legislatures or top-floor suites of high-ranking administrators, because in important ways it is actually made in the crowded offices and daily encounters of street-level workers (...) policy

conflict is not only expressed as the contention of interest groups but is also located in the struggles between individual workers and citizens who challenge or submit to client-processing (Lipsky 1993: 382).

Although Lipsky's focus on local actors differs from Hjern and Porter's emphasis on structures, they are both representative of the bottom-up approach as neither supports the top-down approach's attention to complex models with multiple variables.

Combining the two approaches

Elements from both approaches are necessary in order to conduct an implementation study of *Oportunidades*. This is based on the notion that both formal and informal structures are important in a political process, and that the omission of central variables only encourages incomplete understandings. According to Kjellberg & Reitan (1997: 165), "the elements they emphasize can all play a legitimate part in an analysis of public policy implementation. The challenge is to find the right combination of them with regards to the empirical processes that are studied."⁵ Thus, a synthesis of both approaches seems like the logical solution, and it needs to be adjusted to the context of *Oportunidades*. As I wish to detect characteristics both related to operations and results, I need to study aspects from different phases of the entire implementation process. Kjellberg and Reitan (Ibid: 134) divide the implementation process into the following seven phases: (1) Policy formulation, (2) resolution, (3) specification at central level, (4) specification at local level, (5) local implementation, (6) implementation performance, and (7) evaluation. Although focus is mainly directed at phases one and six, it is necessary to study the other phases in order to discover the program's main features.

I have singled out the following variables, selected from the contributions of Van Meter & Van Horn, Mazmanian & Sabatier, and Banik & Kjellberg: (1) The nature of the problem, (2) objective of policy, (3) type of policy, (4) available resources, (5) environmental conditions, (6) character of actors, (7) organizational features, (8) implementation structure, (9) legal measures, (10) interaction between

⁵ Translated from Norwegian by the author. All translations from Norwegian and Spanish to English are done by the author unless otherwise noted

different actors and organizations, and (11) other programs. These variables constitute the main body of the analytical framework presented in figure 2.1, and will help me consider relevant factors from all phases of *Oportunidades*' implementation process.

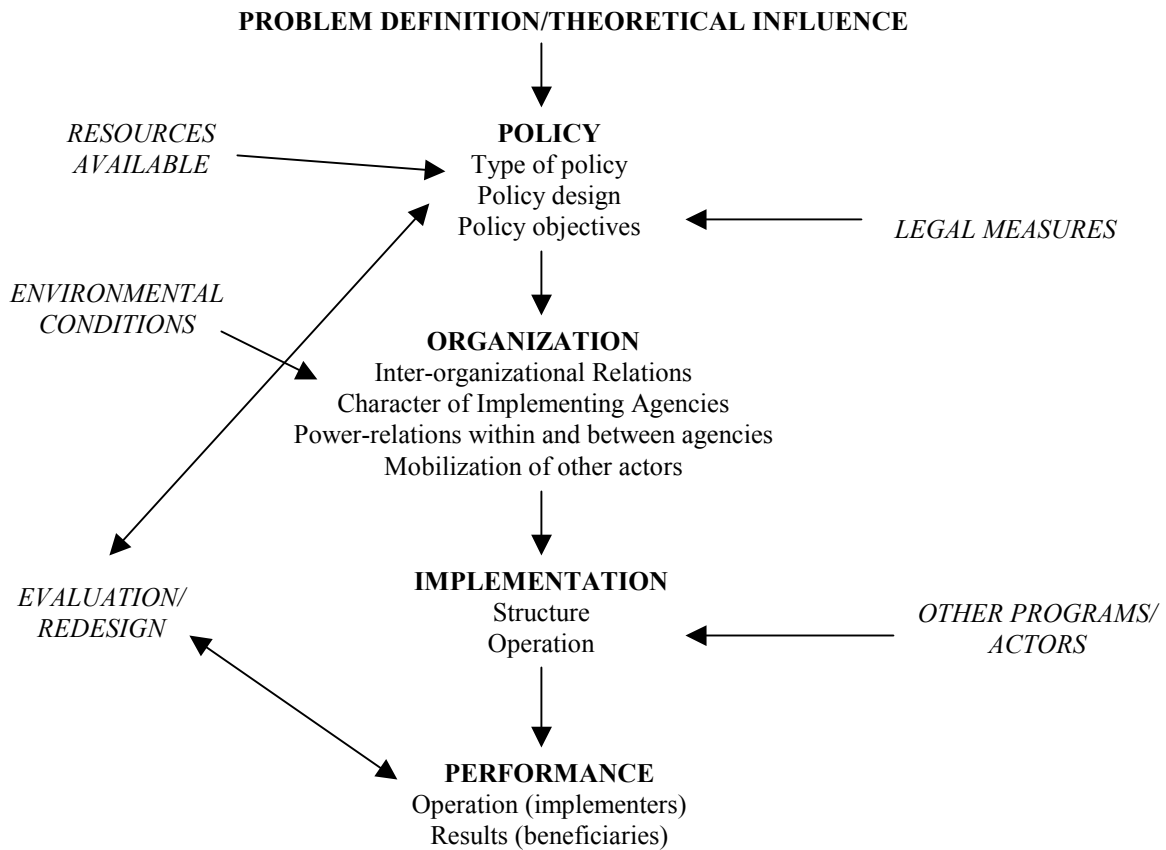


Figure 2.1: Analytical Framework

Source: Loosely based on Mazmatian & Sabatier (1983), Van Horn & Van Meter (1975), and Kjellberg & Banik (2000).

As the figure demonstrates, I have divided the implementation process into four sections: (1) Problems and policy, (2) organization and implementation, (3) environmental factors, and (4) performance. This division is carried out in an attempt to simplify the analysis by categorizing related factors. Nevertheless, such a simplification does not signify an incomplete framework or analysis. Rather, it signifies an attempt at developing a clear and precise analytical tool that manages to incorporate all relevant factors and still makes for a comprehensible analysis. However, when analyzing a complex process like the implementation of a nationwide anti-poverty policy, there is always the risk of some intervening factors being neglected. Below follows an account of how the four categories relates to the study of

Oportunidades.

Problem and policy includes the actual understanding of the problem at hand and how this understanding has been turned into policy. The implementation of a government policy might be based on intricate reasons of populism, clientelism, opportunism, a genuine will to solve a problem, and so forth. Whatever the reasons, however, they are usually based on the understanding that there exists a need for change. *Oportunidades* can be described as a policy that aims at reducing extreme poverty within Mexico, by transferring resources to individuals living in such a condition. The desired change is connected to the concept of poverty, and I will argue that it is necessary to explore which definition of this concept was applied when designing the program. Thus, it might be possible to detect which theoretical foundation lies behind the program, and further, how policy designers viewed the nature of the problem at hand. According to Mazmanian & Sabatier (1983: 11), this is important as “many implementation studies make their greatest contributions by revealing the inadequacy of the underlying theory...”

Within implementation literature there is an assumption that “policy types determine the character of the implementation process” (Banik & Kjellberg 2000: 31). Lowi (1964: 689) distinguishes between three types of policies: distributive, regulative and redistributive. Even though the distinction between the three is not obvious, I will argue that *Oportunidades* fits into the latter category. This is based on the fact that a CCT program distributes tax money to an unprivileged group of people that have not, themselves, contributed considerably in the past by paying taxes. According to Lowi (Ibid: 691), the aim with redistributive policies is “not use of property, but property itself, not equal treatment but equal possession, not behavior but being.” Further, he argues that the arena where these redistributive policies are played out can be characterized as stable due to shared interests that are both stable and clear.

Organization and implementation deals with both the organizational structure and involved actors. The character of actors influences both the interaction between different actors and organizations, as well as the performance of the implementation

process. As the implementation of public policy can be described as the realization of politics between government and civil society, it can be argued that participating actors' character and interaction is of importance in an implementation analysis. This involves communication between different actors, and how performance relies on this communication. According to Van Meter and Van Horn (1975: 466), "the prospects of effective implementation will be enhanced by the clarity with which standards and objectives are stated and by the accuracy and consistency with which they are communicated."

The characteristics of actors and their interactions are influenced by the organizations they act within or between. Argyris (Elmore 1993: 331) observes: "What we define as acceptable adult behavior outside organizations directly contradicts what's acceptable inside." Thus, organizational features are of importance when trying to understand an implementation process.

The *Oportunidades* administration is an organization that operates within a network of other governmental organizations in order to run the program efficiently. How and to what extent organizational features affect the implementation of the program is not easily detectable, as the involvement of more than one agency in the implementation process blurs the lines of authority (Elmore 1993: 321). Thus, in order to study the organizational structure, and thereby explore whether and why implementation successes and failures lies therein, it is necessary to explore certain organizational features. Based on a reading of key organizational theories, Elmore (Ibid: 344) finds these features to be management controls, operating routines, the involvement of implementers, and a set of internal and external bargaining relationships. 'Management controls' is emphasized within the systems management literature, and implementation failures are often explained on the basis of 'bad management' (Ibid: 317). It can be described as a rational model where success is the result of a goal-directed and effective administration that runs a hierarchical system characterized by value-maximizing behavior. The focus on 'operating routines' comes from the bureaucratic process model, and it resembles some of Lipsky's observations. It involves a tendency to explain implementation failures on the basis of two elements

within bureaucratic settings: discretion and routine (Ibid: 323). This is based on the following notion:

As bureaucracies become larger and more complex, they concentrate specialized tasks in subunits. With specialization comes an irreducible discretion in day-to-day decision-making; the ability of any single authority to control all decisions becomes attenuated to the point where it ceases to be real in any practical sense (...) Individuals and subunits manage the space created by discretion so as to maintain and enhance their position in the organization (Ibid.).

Operating routines involves both formal regulations and informal routines developed through the exercise of discretion. However, it needs to be supplemented with an exploration of the organizational and operational structure in order to provide an overall picture of the implementation process and its possible inadequacies.

Within Elmore's classification of organizational theory, the aspect of involvement of implementers belongs to the organizational development model. The basics of this model – that implementation processes are dependent on individual motivation and commitment, face-to-face work groups, and the departure from conventional notions of organizational efficiency (Ibid: 334) – were partly confirmed through a nationwide study in the U.S. in 1972. Here, the Rand Corporation conducted a nationwide study of federal education programs, and found that what distinguished successful from unsuccessful attempts at change was how the former largely relied on local expertise and participation (Ibid: 333).

The category environment includes external factors that influence the implementation process. With regards to the political situation in Mexico, it has changed drastically over the last fifteen years. Membership in NAFTA, the Zapatista uprising and the 2000 elections are all events that affected domestic politics, and they undoubtedly influenced the government's social profile – of which *Oportunidades* plays a major part.

In addition to political factors, students of public policy have paid attention to other external factors like economic and social conditions (Van Meter & Van Horn 1975: 471). Even though they interrelate with the political environment, it is arguably important to look at socio-economic conditions when studying anti-poverty policy. Other factors of relevance in the context of Mexico and *Oportunidades* are

geographical and cultural conditions, as well as international pressure.

Performance refers to the actual effects of a policy. Whether these effects are described as successes or failures might be described as a question of how success is defined. According to Pressman & Wildawsky (1973: xiv): “Implementation cannot succeed or fail without a goal against which to judge it.”⁶ In order to study *Oportunidades* performance, I will compare main policy objectives with documented results and explore whether these have been satisfied. This is made possible by the extensive evaluations that have been an integrated part of the program since it started. Further, it is of interest to explore what type of criterion these evaluations use, and whether official statements regarding program results are related to actual policy objectives. In addition, beneficiaries’ perceptions of program results are of vital importance.

2.3 The Capability Approach

Professor Amartya Sen developed the capability approach in several books and articles from the early 1980s and onwards.⁷ It constitutes a normative proposition to human development, based on the notion that the goal of development should be to expand people’s opportunities to enjoy a greater set of valuable activities or ways of being. Thus, individual freedom represents a key notion within the approach, and the proposition implies that social arrangements should be primarily evaluated according to the extent of freedom human persons have reasons to value.

Nobel laureate Sen (1999: 20) argues:

If our attention is shifted from an exclusive concentration on income poverty to the more inclusive idea of capability deprivation, we can better understand the poverty of human lives and freedoms in terms of a different base (...) The role of income and wealth – important as it is along with other influences – has to be integrated into a broader and fuller picture of success and deprivation.

⁶ In Van Meter & Van Horn (1975: 464)

⁷ Sen developed the approach along with other scholars, most notably Martha C. Nussbaum. In order to conduct a lucid study within the allowed number of pages I have chosen to stick with Sen and his version of the capability approach. Still, other contributions will be discussed whenever necessary.

In other words, the capability approach advances an idea of going beyond the evaluative spaces of utilities as advanced by welfarists, rights as advanced by libertarians, and primary goods as advanced by the Rawlsian theory of justice. Its normative point of departure leads to a theoretical approach that recognizes the multifaceted nature of both human nature and poverty, and advances the idea that economic development should involve taking human beings as its end. The approach is based on the idea that living is “a combination of various ‘doings and beings’, with quality of life to be assessed in terms of the capability to achieve valuable functionings” (Sen 1993: 31).

To fully understand the approach it is necessary to clarify its two major constituents, namely functionings and capabilities. Functionings is a term for the various things a person may value doing or being, thus involving the quality of the person’s being (life). According to Sen (1992: 39):

The relevant functionings can vary from such elementary things as being adequately nourished, being in good health, avoiding escapable morbidity and premature mortality, etc., to more complex achievements such as being happy, having self-respect, taking part in the life of the community, and so on.

Thus, functionings relates directly to a person’s level of achievement. This achievement is caused by the person’s ability to utilize a certain commodity, and is therefore dependent on a variety of factors. Depending on the functioning, these factors can be both personal and social. Sen (1985: 26) uses the example of nutritional achievement, where level of achievement can depend on such factors as metabolic rates, body size, age, sex, activity levels, medical condition, etc. In this case, two persons might be in command of the same amount of rice, and by traditional welfare standards they would enjoy the same level of well-being. If, however, it turns out that one person is a pregnant woman while the other is a young girl, and that the amount of rice is barely enough to feed the young girl, their functionings level ends up at different levels. The pregnant woman enjoys a lower level of well-being than the girl.

Capability is closely related to the notion of functionality, and involves the concept of a person’s freedom of choice. Sen (1992: 40) uses the concept as a

representation of “the various combinations of functionings (beings and doings) that the person can achieve. Capability is thus, a set of vectors of functionings, reflecting the person’s freedom to lead one type of life or another.” In a widely used example, the concept of capability is explained in the context of starvation. A rich person might not be eating due to a religious practice. At the same time, another person might be starving due to loss of employment. According to Sen (1992: 52): “In examining a starving person’s achieved well-being, it is of direct interest to know whether he is fasting or simply does not have the means to get enough food.” In this case, the achieved functioning does not present an adequate assessment level, as one person has the capability to achieve the functioning of being well-nourished, whereas the other does not.

With regards to poverty, the capability perspective implies a shift of focus from variables like income, consumption, utility, primary goods, etc. to a focus on capabilities. Sen (1999: 108) argues: “Policy debates have indeed been distorted by overemphasis on income poverty and income inequality, to the neglect of deprivations that relate to other variables, such as unemployment, ill health, lack of education, and social exclusion.” Poverty is regarded as a condition of capability deprivation, which according to Sen is ‘intrinsically important,’ whereas income is only ‘instrumentally significant.’ Being ‘instrumentally significant’ implies that something is only significant as a means to achieve something else, while being ‘intrinsically important’ implies that something is important, in and of itself, as an end. However, the term capability involves multiple types of freedoms, and not all capabilities are intrinsically important. Being able to choose between buying a second house by the sea or in the mountains is not a real option in conditions of deprivation. Thus, within the context of poverty and policy it is necessary to distinguish between basic and more complex capabilities. Basic capabilities, or what Sen (1989: 12) refers to as elementary capabilities, can include “the ability to avoid undernourishment and related morbidity and mortality.” Complex capabilities involve “more sophisticated social capabilities such as taking part in the life of the community

and achieving self-respect.”

Capabilities are arguably connected to income level, and increased income will under many circumstances improve a person’s ability to achieve an increased level of nutritional well-being. So what distinguishes a capability perspective from the more traditional focus on income level? According to Sen (Ibid: 42), the real value of the capability perspective lies in its ability to “take note of the interpersonal and intersocial variations in the relation between income and capabilities.” Thus, the capability approach, when emphasizing that social arrangements should be evaluated according to the extent of freedom people have to promote or achieve functionings they value, differs fundamentally from other theories of justice. The emphasis is moved from what Sen refers to as well-being achievement (functionings) to well-being freedom.

Capabilities, or freedom, lie at the heart of the capability approach. This freedom can be divided into a ‘constitutive’ and an ‘instrumental’ role. While the constitutive role is one of expanding human freedoms through the expansion of basic human capabilities, “the instrumental role of freedom concerns the way different kinds of rights, opportunities, and entitlements contribute to the expansion of human freedom in general and thus promoting development” (Sen 1999: 37).⁸ He considers five types of instrumental freedoms: (1) political freedoms, (2) economic facilities, (3) social opportunities, (4) transparency guarantees, and (5) protective security.

In relation to poverty and public policy for poverty reduction, it is logical to base an analysis on the constitutive role of freedom, and thus identify a combination of relevant basic capabilities. Nevertheless, by including the instrumental role of freedom it is possible to study the more intricate aspects of poverty and policy. Such an expansion moves towards what Sen refers to as agency achievement and agency freedom.

⁸ Sen’s (1992: 45) point of departure when using the term basic capabilities is a small number of centrally important functionings. Examples of these capabilities are the ability to be well-nourished, and the capability to avoid premature and escapable morbidity.

According to Sen, the capability approach to poverty is a viable option because:

- (1) Poverty can be sensibly identified in terms of capability deprivation; the approach concentrates on deprivations that are intrinsically important (unlike low income, which is only instrumentally significant) (2) There are influences on capability deprivation and thus on real poverty – other than lowness of income (income is not the only instrument in generating capabilities) (3) The instrumental relation between low income and low capability is variable between different communities and even between different families and different individuals (the impact of income on capabilities is contingent and conditional (Sen 1999: 87- 88).

Human diversity becomes a focal point and inequality is thus seen as a relevant factor. Sen sums up the approach's possible contribution to the study of poverty when he states:

What the capability perspective does in poverty analysis is to enhance the understanding of the nature and causes of poverty and deprivation by shifting primary attention away from the means (and one particular means that is usually given exclusive attention, viz., income) to ends that people have reason to pursue, and, correspondingly, to the freedoms to be able to satisfy these ends (Sen 1999: 90).

To conclude, the capability approach represents an attempt at defining what type of information is needed when we judge individual well-being. This can be expanded to the study of social arrangements, and thus, constitutes an alternative method of assessing public policy.

Criticism

Scholars from various disciplines and schools of thought have criticized certain aspects of the capability approach. The critique ranges from concerns that the approach does not pay adequate attention to forces of power and societal structures, to allegations of excessive individualism and encouragement of paternalism. Much has also been written on the difficulties of choosing and operationalizing a list of capabilities. Certain other aspects have been criticized as well, but I will mainly focus on the above-mentioned as they constitute the most relevant critique in relation to poverty and public policy.

With regards to societal structures, it has been argued that the capability

approach's lack of institutional analysis makes it neglect the complex nature of society and the forces at work. Hill (2003: 118) argues:

...although the capability approach provides a framework for the evaluation of individual and social welfare, it is not a theory of the social causes of poverty and inequality, nor of the effects of social institutions on human welfare. In fact, we can link criticisms of the capability approach to the need to take on the question of how to advance human welfare through social policy. In particular, we need to expand the capability approach to enable analysis of basic social institutions and processes, from the firm to the family and from the market to public policy-making.

This objection is taken further by Koggel, who builds on Sen's own writings on women's well-being and agency, and criticizes the capability approach's lack of attention towards both global and local forces at work:

If not entirely absent in Sen's account, power and oppression are not sufficiently recognized as factors of inequality in women's lives that are relevant to the kinds of policies required, at both the global and local levels, for increasing women's freedom and agency (Koggel 2003: 165).

Deneulin and Stewart (2002: 66) argue that Sen fails to account for human interaction due to the capability approach's individualistic orientation. According to them, the approach "shares the individualism of the utilitarian approach, where individuals are assumed to be atoms who come together for instrumental reasons only, and not as an intrinsic aspect of their way of life." This individualism leads to problems of both evaluative exercises and the process of choosing capabilities:

The individual who is aiming to make valuable choices about capabilities, or the state which is trying to enhance the conditions that promote valuable capabilities, will be ineffective unless each is underpinned and supported by collective action (Ibid: 69).

The result, they state, is that Sen's "discussions of choice, democracy, and politics are at an abstract idealistic (and sometimes unrealistic) level, well removed from making substantial changes in the real world" (Ibid: 70).

Does the capability approach encourage paternalistic policies? The answer to this relies heavily on one's point of view regarding the role of government. Any law or policy might be deemed paternalistic, and a libertarian view will differ from a socialist view when dealing with distributive or redistributive policies. The philosopher Ronald Dworkin's reading of Sen suggests that the capability approach

would lay the foundation for highly inappropriate government policies. When interpreting Sen's description of functionings and capability as presented in *Inequality Reexamined*, Dworkin (2000: 302) argues:

The idea that people should be equal in their capacities to achieve these desirable states of affairs, however, is barely coherent and certainly bizarre – why would that be good? – and the idea that government should take steps to bring about that equality – can you imagine what steps those would be? – is frightening.

Whether Dworkin's fears are rational or not will be more easily understood when I explore what type of policies might lie inherent in the capability approach.

One aspect that has generated heated debate is how to identify, select and prioritize among valuable functionings. Sen has not developed a list of distinct functionings that should be included in an assessment of well-being, and he has been criticized for leaving this out in the open. Nussbaum (2003: 20) argues that capabilities have to be specified in order to further the advancement of a conception of social justice, even if only in an "open-ended and humble way." Others like Dworkin (2000: 300) argue that any ranking of activities would be controversial and not "consistent with equal concern for all."

Criticism has been met with various responses, both in defense of and against the approach. Sen has responded by applying the capability approach in different contexts, and shown how it can be used to analyze well-known conditions in a new perspective. He has refuted accusations that claim the capability approach is based on an inadequate foundation for evaluative exercises, and shown that "there is a deep complementarity between individual agency and social arrangements" (Sen 1999: xii). Further, scholars like Ingrid Robeyns and Sabina Alkire, have interpreted the capability approach, both through empirical and theoretical analysis, and shown that some of the criticism is based on a misreading of Sen and others. Both their and Sen's applications of the approach have revealed that the capability approach only represents the core of a theoretical framework, and, depending on the context, in need of supplementary theories and information. Certain of the approach's critical features are in need of extensive scrutiny, and the following is an attempt to contribute to this task.

2.4 Operationalization

This is conducted as a two-folded study – one implementation analysis in chapter three, and based on these findings, an exploration of the capability approach to policy in chapter four.

The first research question concerns *Oportunidades*' main characteristics, and further, how the program addresses poverty reduction. It is answered with the help of the analytical framework (figure 2.1) that was developed in this chapter. Key questions are: How is poverty defined and measured? How is the fundamental understanding of poverty transformed into policy objectives? To what extent does policy design reflect policy objectives? Who are involved in the implementation process? To what extent does interaction between actors influence the implementation process? Which external factors influence the implementation process? And how does *Oportunidades* perform? These constitute basic questions that are presumed to cover important parts of the implementation process. Other questions might appear as the analysis develops.

In chapter four I will answer the next research question – To what extent is *Oportunidades* influenced by the capability approach, and further, how can the approach help improve the program? Hopefully, the previous implementation analysis has highlighted certain of *Oportunidades*' characteristic features, and these will constitute the foundation of this discussion. By discussing the capability approach in the context of certain key aspects of this policy, it is possible to uncover not only whether the program has been influenced by the approach, but also whether it can be improved on the basis of the approach. Implicit in this discussion is the question of if and how the capability approach can be operationalized in the context of anti-poverty policy. To explore these problems, a critical reading of relevant literature is conducted, and the following questions are sought answered: How is poverty defined within the capability approach? What does the approach propose with regards to poverty measurement? How does the approach relate to *Oportunidades*' main characteristics? Does the approach contain suggestions for the improvement of *Oportunidades*?

3. Implementing Anti-poverty Policy in Mexico

At the heart of *Oportunidades* lies the concept of poverty, and extreme poverty as such. Thus, the implementation process relies heavily on the understanding of poverty that was applied to begin with, and the type of definitions this understanding generated. According to Hogwood and Gunn (1993: 240), this is of interest because policies are sometimes ineffective because they might “be based upon an inadequate understanding of a problem to be solved, its causes and cure.”

When Ernesto Zedillo came to power in 1994, it constituted a pragmatic change in the Mexican Government’s design of social policies. In addition to simply transferring goods or money, anti-poverty policy became increasingly directed towards human capital accumulation and long-term poverty reduction. This policy-change was partly based on a new, more integral understanding of poverty and its causes. Josefina Vázquez Mota, minister of social development in the Fox administration, sums up this understanding as follows:

In agreement with Amartya Sen, the deprivation experienced by individuals living in conditions of extreme poverty prevent them from choosing their own lives, and limit their freedom. Because of this, *Oportunidades* seeks to emancipate individuals from the obligated need to ‘live less and be less’ through the expansion of their ability to have more autonomous and dignified lives (SEDESOL 2003: 13).

Further, she states:

With *Oportunidades* one is also combating what Amartya Sen calls ‘the irreducible core of absolute poverty’, which is created when individuals become deprived of, among others, the ability to be educated, to avoid preventable diseases, and to be fed (Ibid.).

By making references to Sen’s ideas on poverty and deprivation, Vázquez Mota clearly reveals where she and her predecessors got their inspiration. This source of inspiration is applied in the official *Oportunidades* manifesto, where it, based on the National Social Development Plan 2001-2006 (PND), is declared:

...poverty is conceived as the deprivation of basic capabilities. It is considered that a person’s social situation is defined from what he or she can be or do. To be poor, then, signifies that under certain social conditions people do not have the economic resources to develop their basic capabilities. In this sense, the phenomenon of poverty transcends

the individual and familial sphere and converts into a social phenomenon, and excludes whoever that does not have access to the means and resources necessary for complete integration and social participation (Ibid: 21).

Thus, the foundational understanding seems to be in accordance with Sen's notion of the nature of poverty. Fidel Yamasaki Maza, health director of *Oportunidades*, who has been involved with the program from the beginning, confirmed this:

The ideas behind *Progresa* were very much influenced and in line with the thinking of Amartya Sen and the capability theories. The goal became to build basic human capabilities, and it was to be done through education, health, and nutrition.⁹

It remains to be seen, however, whether the use of the terms capabilities, freedom, and beings and doings, is reflected in the program's applied definitions and objectives.

Three levels of poverty are defined in *Oportunidades*' manifesto. These are (1) alimentary poverty, (2) capability poverty, and (3) patrimonial poverty. Alimentary poverty is the most profound level, and it is defined as a condition wherein individuals or households are assigning all their income to cover necessary nourishment. This income, however, is still insufficient to guarantee the minimum consumption level established as a standard food basket - the standard food basket was developed by Mexico's national institute of statistics (INEGI) and the Latin American economic commission (CEPAL) in 2000. They set the basket at 20.9 pesos for urban areas and 15.4 pesos for rural areas per adult person per day, thus, coming up with a share of 9.8 percent of the population living in conditions of alimentary poverty in the former area, and 34.1 percent in the latter. That same year the minimum wage was 35.12 pesos a day.

Individuals and households are considered to live in conditions of capability poverty when their income is insufficient to jointly cover their basic necessities of nutrition, health and education. Lastly, patrimonial poverty is defined as a condition wherein the income of individuals and households is insufficient to jointly cover the necessary expenses of nutrition, health, education, housing, clothing, and transport

⁹ Interview, March 11, Oaxaca City.

(Ibid.).

Oportunidades covers households living in conditions of capability poverty or below, which constitutes about 25 percent of Mexico's population, and makes up what is referred to as households living in extreme poverty. In Oaxaca, 56 percent of the households receive support from the program.

It seems then that the applied poverty definitions are income/consumption based, and thus, in line with more traditional welfare definitions than might be expected from the initial statements.

Policy Objectives

The human and social development part of the Fox administration's National Development Plan 2001-2006 is expressed through the strategy *Contigo* ('with you'), which incorporates more than 200 programs. *Oportunidades* operates within the overall *Contigo* strategy, and integrates national programs for education, health and social development.

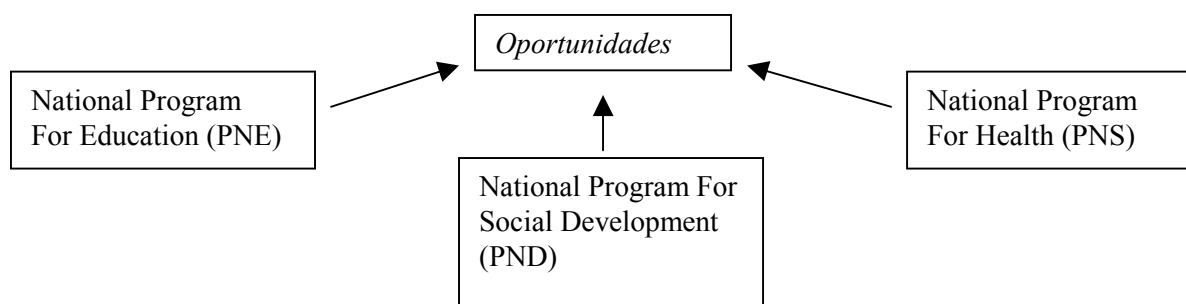


Figure 3.1: *Oportunidades*' main components

As figure 3.1 shows, *Oportunidades* consists of components from three different strategical frameworks. The program is meant to contribute to the achievement of certain objectives from each of these. For PND, the main objectives are: (1) To reduce extreme poverty, and (2) to generate equality of opportunities for poor and vulnerable groups. For PNE, the main objectives are: (1) To advance towards equality in education, and (2) to provide the necessary education of adequate quality to all Mexicans. Finally, the main objectives of PNS are: (1) To eradicate inequality within health, and (2) to improve all Mexican's overall health conditions (SEDESOL 2003: 15-16).

The three components' objectives are condensed into two main objectives, whose aims are set for 2006 in the official program. Objective one is to increase the basic capabilities of families living in extreme poverty through a three-way strategy of education, health and nutrition. Its aims are, amongst others, to support a total of 5.5 million families, to increase the growth of children under the age of five by 16 percent, and to pay attention to 90 percent of the highly marginalized areas in the country. Objective two is to extend the access of families living in conditions of capability poverty to opportunities of development, promote individuals' security and self-sufficiency to strengthen their wealth, and to organize and coordinate the efforts of other actions and social development programs. Its aims are, amongst others, to achieve that 1.1 million of the youth in secondary and upper-secondary education get access to the component *Jóvenes con Oportunidades*, to contribute to committees for communal promotion, and to achieve that one million of the beneficiary families have access to instruments of savings and credit (Ibid: 51-52).¹⁰

These merely constitute some of *Oportunidades*' many objectives. They are included here in order to clarify the program's main goals, and further, to function as a basis on which to assess its performance, which is done towards the end of this chapter.

In order to reach the stated objectives, *Oportunidades* consolidates its actions through five core guiding-principles. These are: (1) Equality, (2) comprehensiveness, (3) transparency, (4) social Unity, and (5) joint Responsibility.

Equality and inequality are words loaded with political tension, and it can be seen as an important step that the creators of *Oportunidades* chose to direct the program towards improving the equality of employment, social security, and financial opportunities in the country. The official program-statement admits to the fact that "one of the characteristics of current Mexico is the enormous inequality that exists between different social groups, which ends social and economic development, both

¹⁰ *Jóvenes con Oportunidades* is a component of *Oportunidades* that consists of a savings plan for participating high school students that grows each year from ninth grade through graduation. It was added in 2003.

between geographical zones as well as within them” (SEDESOL: 53).

Within the equality principle is one of *Oportunidades*’ major aspects - the aim of securing equality between women and men. In accordance with the literature on development and poverty, it is recognized that:

There exists cultural and social standards concerning the role of men and women in society, which, on many occasions, confine women to the domestic sphere or to employment without sufficient pay to support the economy of the household, deny them access to educational and labor opportunities, and, thus, leave them in a situation that translates into a condition of great vulnerability (Ibid. 54).

One of the program’s main efforts to improve the situation between women and men is the concept of delivering the support directly to the mothers of the participating families. It is described as one of the program’s great innovative achievements, and is done in order to “promote their participation and involvement in community life, and broaden their decision-field within the household” (Ibid.).

Comprehensiveness is related to the concept of poverty, and the understanding that it is a multidimensional phenomenon. Overcoming poverty, according to *Oportunidades*’ official statement, is dependent “not only on the efforts of individuals and families, but also on breaking the barriers that prevent families from overcoming their condition” (Ibid. 55). The strategy involves attacking the problem through the program’s three different components (education, health and nutrition), as well as creating synergies between *Oportunidades* and other programs offered by different ministries and government offices. It is also recognized that “investing in infrastructure that boosts local government and supports the involved communities is essential, because it strengthens and improves the population’s benefits” (Ibid.).

The third principle, *transparency*, comes directly from the government’s promise in PND to open its actions up for scrutiny by the public. The plan is to develop transparency by focusing the benefits, give the support directly, monitor and evaluate the program, create a social control function among the beneficiaries, and attach Rules of Conduct. These measures are meant to eliminate discretionary behavior and make sure that actions are realized (Ibid. 56). They are developed in order to win the public’s trust and support, and are based on the Federal Transparency

and Access to Public Government Information Law, which amongst others requires the program's administration to make public the many evaluations that constitute an important part of the program's implementation structure.

Social unity is a principle meant to promote participation in order to generate social capital both for individuals and within families and communities. It is meant to strengthen the social fabric by letting families, communities and local organizations contribute to social development programs. This is due to the recognition that even if the family is a privileged unit that confronts adversity, it can at the same time be a place where “the factors that maintain poverty between generations dwell” (Ibid. 57).

The last core principle, *joint responsibility*, reflects some of the current literature on poverty reduction, where there's an emphasis on local participation and responsibility. *Oportunidades'* vision is one of “a human social development centered on the dignity of individuals, on values of freedom and social responsibility, and the promotion of participating citizens as actors in the national development” (Ibid. 58). It is deemed important that beneficiary families' welfare is strengthened through a joint responsibility with the government, where the beneficiaries themselves act as autonomous actors and set their own aims in accordance with their aspirations and seek their realization.

Policy Design

As the stated objectives clearly indicate, *Oportunidades* approaches the problem at hand through an integrated focus combining objectives from PND, PNS and PNE. This approach is reflected in the program design, where conditional cash support is transferred to beneficiaries in order to build human capital of both education and health. According to Skoufias (2005: 2), the integrated focus “reflects a belief that addressing all dimensions of human capital simultaneously has greater social returns than their implementation in isolation.” At the implementation level, this focus is realized through the nature of the conditions. The mothers within beneficiary households collect transfers on the condition that the children attend school 80 percent of the time and consume nutritional supplements. In addition, the family members must meet up at *platicás* (health talks), and both children and adults must

meet at health clinics for periodical check-ups and vaccinations. Failure to meet these conditions results in withdrawal of benefits. Two of the guiding-principles were comprehensiveness and joint responsibility, and the integrated nature and conditionality satisfies these to a certain degree.

A program aimed at poor families conditional on investments in human capital carry two distinct characteristics. It redistributes resources, and it is by definition targeted. In order to carry out the stated objectives, the process of targeting is crucial to *Oportunidades*, and thus, one that might involve numerous trappings. According to Johnson and Start (2001: 9), targeting is “central to the challenge of administering any type of redistributive policy.” This centrality does not only include the actual technical difficulties the process of targeting involves, but also the need for popular support on which any successful antipoverty policy depends. Mazmanian and Sabatier (1983: 23-24) argue that the mobilization of political support increases as the target group becomes smaller and more definable. In the case of *Oportunidades*, there is little doubt that the target group is easily definable (people living in extreme poverty), and that this has helped mobilize support for the program.

The program’s extensive targeting process was initiated in 1996, a year before *Progresas*’s official implementation started. Communities were first selected on the basis of a marginality index, which was based on the 1990 census data. Then, household data was collected within the selected communities. This household data was constructed on the basis of both income measures and other characteristics such as household possessions. Finally, the list of potential households was reviewed by a community assembly, and changed in accordance with established criteria (Skoufias 2001: 4). During its first year of implementation the program supported 400.000 households. By 2005 the program supports 5 million households in both rural and urban areas - a number that will not increase due to president Fox’s announcement earlier this year that the program has reached its goal with regards to coverage. Although this number is half a million below the initial objective, the program covers 90 percent of Mexican municipalities, and all of Oaxaca’s municipalities.

The support is paid out bimonthly, with *titulares* (heads of beneficiary

households) receiving a cash-amount based on the number of children in school and their educational level therein. A base-sum of 165 pesos is given to beneficiary families, with an additional amount of up to 865 pesos for families with children in primary and secondary school, and up to 1.545 pesos for families with children in upper-secondary school. The families receive more support for girls enrolled in secondary and upper-secondary schools than for boys. In addition, an amount towards the purchase of school material is paid out at the beginning of each school year. According to Leticia Valle, *Oportunidades*' chief of operations in Oaxaca, the benefits are small in the eyes of people that work.¹¹ Nevertheless, the monthly benefits amounts to around 20 percent of total household consumption, and is sufficient for a majority of beneficiary families to keep the children in school (Coady 2003: 5).

Even though *Oportunidades*' method of geographic targeting and proxy-means tests proved "close to perfect" in relation to coverage and economic costs, there are other factors to be considered. According to Skoufias (2001: 38):

...the reduction in the higher order measures of poverty accomplished by household targeting over and above those accomplished by simply including all the households in the locality are relatively small. Whether these marginal successes of targeting at the household level is a worthwhile effort depends on the size of the non-economic, or political, and social costs of targeting, all of which are very difficult to quantify. Preliminary qualitative surveys from PROGRESA's evaluation show that these costs of targeting in rural, often indigenous communities may not be negligible

A female beneficiary in *Tamazulapam Del Espíritu Santo* who indicated these costs, said: "The parent's who don't receive support won't participate as much as the people that receive support from the program."¹² She referred to community work, which is widespread in Oaxacan indigenous communities. It is a tradition that has been affected by the program. A *vocale* from a nearby village confirmed it:

There is a problem that some don't receive the support. In *Rancheria las Penas* about 25 families don't receive support. There are examples in all the rancherias of families that

¹¹ Interview, February 16, Oaxaca City.

¹² Interview, March 16, *Tamazulapam del Espíritu Santo*.

don't receive support. The kids won't go to school because they don't receive support, and the parents won't help with the communal work.¹³

However, as *Oportunidades* has reached its size-limit, the targeting procedure has changed. Today new beneficiaries are only admitted when others leave the program. Thus, as Sara Gordon, a professor at Mexico's Autonomous University who has written extensively on Mexican poverty, stated:

Many have criticized the program. For example, the targeting was very technocratic, and it created problems in some communities. This has been changed though, and people now have to petition *Oportunidades* in order to be integrated into the program.¹⁴

To this date, no beneficiaries have left the program due to improved household situations. Rather, families leave because the children fail to attend school as required, or because household members fail to attend health talks and health check-ups. Failure to meet proper registration requirements also leads to exclusion from the program, which varies from four months to permanent exclusion.

¹³ Interview, March 17, *Tamazulapam del Espíritu Santo*.

¹⁴ Interview, Mexico City, March 4.

3.1 Organization and Implementation

In accordance with *Oportunidades*' inter-institutional objectives and design, its operation is based on a coordinated effort between several institutions. Figure 3.2 displays how this coordination is structured:

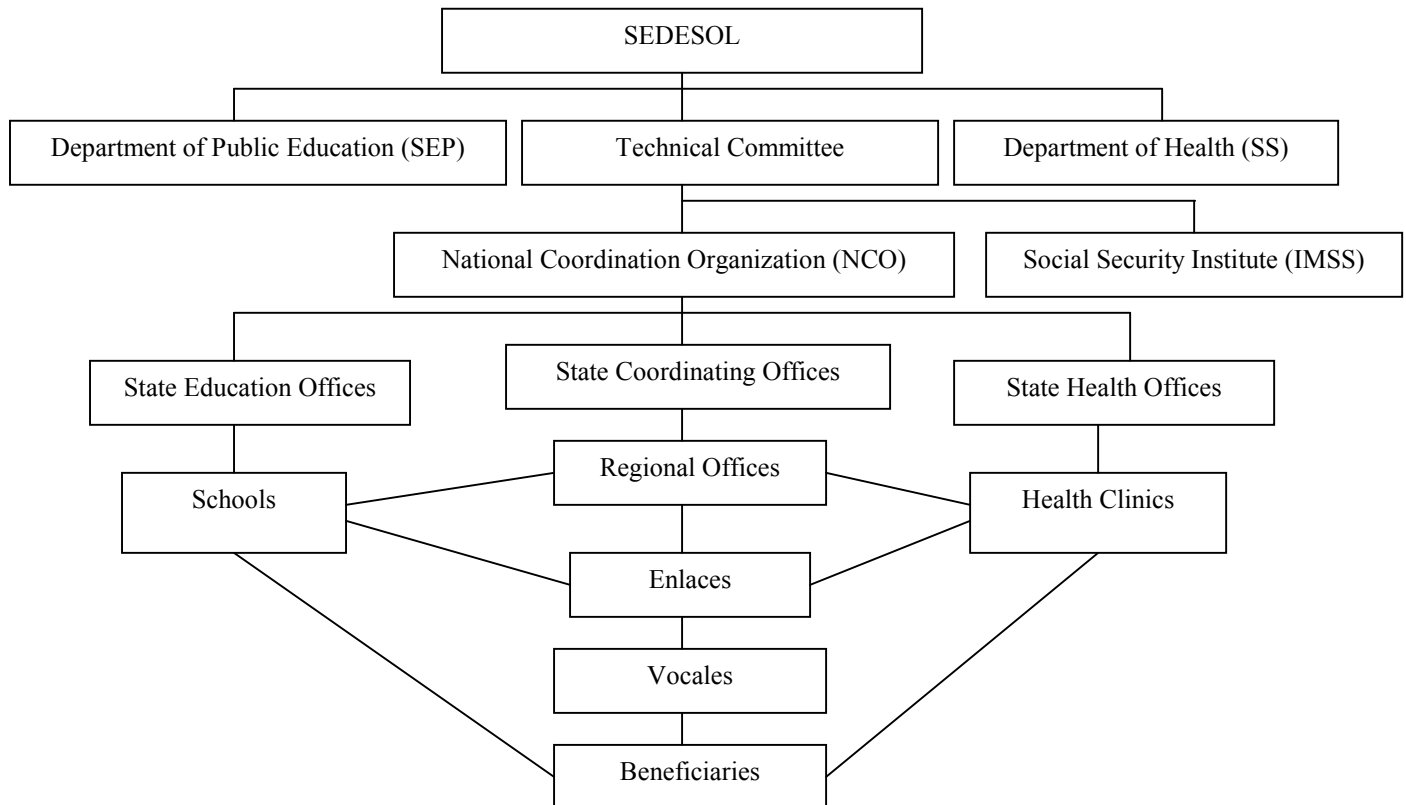


Figure 3.2: Organizational structure of *Oportunidades*

SEDESOL was established in 1992 as a replacement of the old Department of Urban and Ecological Development. It is responsible for planning, monitoring and evaluating Mexico's spending on poverty reduction, urban development and housing construction. From its headquarters in Mexico City it represents a decisive voice in *Oportunidades*' coordinating body (NCO). Although the leadership of SEDESOL and its predecessor constituted a powerful political force throughout the Presidency of Carlos Salinas de Gortari (1988-1994), his successor Ernesto Zedillo removed its power by decentralizing the health sector at the beginning of his term. The budget was decreased, and its staff of party-politicians from the revolutionary party (PRI) was slowly replaced by a new generation of technocrats, mostly economists, social

scientists and demographers. Although the decentralization process complicated the administration of the health sector, as there suddenly were 32 different ideas on how to run things, the cooperation between the different sectors works with regards to *Oportunidades*, according to the program's health director.¹⁵

There are two reasons to why this coordinated effort works, said Jose Carlos Rocha, one of *Oportunidades*' sub-directors in the Department of External Credit, who has worked with the program since 1998.¹⁶ First, the Fox administration has increased the health budget, and second; when *Oportunidades* is implemented in an area, the Departments of Health and Public Education must make great efforts to build new clinics and schools. Further, the Department of Public Education administers a program called CONAFE, which operates in rural areas. The program sends out teachers to communities without schools, and the teachers live with families in exchange for educating their children. Because of *Oportunidades*, this program has also been forced to cover new areas.

Oportunidades employs 1650 people, with 1200 of these connected to the headquarters in Mexico City. The rest are spread out among the 31 state headquarters. Oaxaca's headquarters consists of four offices with a total of 30 employees. The state's 12 regions each have a regional office made up by three persons – one regional technical assistant (ATR) and two auxiliaries. These employees are responsible for the daily operations of the program, which support 426,430 families within the state.¹⁷ In addition, there are local census-people, who are hired every year to conduct interviews in connection with the re-certification of beneficiaries.

Besides formal employees, there are *enlaces*, who as local individuals function as a link between the community and program officials. There is one *enlace* in every municipality. Further, there are three *vocales* in every community, who are beneficiary women elected by other beneficiaries, whose main task is to help out with practical tasks in connection with local implementation. Lastly, there is school and

¹⁵ Interview with Fidel Yamasaki Maza, March 11, Oaxaca City.

¹⁶ Interview, February 25, Mexico City.

health-clinic staff that runs its respective institutions.

Due to the large number of Oaxacan beneficiaries, which are spread out among 6,565 communities, combined with the state's mountainous terrain, the implementation process has represented a challenge to those involved. Still, one of the main strains on the program employees is *Oportunidades*' economic efficiency. It is estimated that on a national basis, "for every 100 pesos allocated to the program, 8.2 pesos are administration or program costs" (Skoufias 2005: 63). According to José Rodríguez Niño, administrative subdirector with *Oportunidades* in Oaxaca, this efficiency is reflected in the implementation process. He argued:

The state is so big and there are many families that receive support. Because we have little resources it is difficult to get the program running smoothly, and there is a lot of work. The structural aspects are very complicated, and it becomes difficult to prioritize everyone.¹⁷

Still, Niño and his colleagues manage to run the program through standardized operating-routines in an environment of young, energetic professionals, and most importantly, the use of highly motivated local expertise.

Carlos Joaquin Aguilar is one of Niño's colleagues.¹⁸ As a technical assistant-auxiliary in the *Sierra Norte* region, he drives around every weekday in order to cover the region, which contains 68 of the state's 570 municipalities. In addition, he drives down to headquarters in Oaxaca City at least twice a week. This indicates many hours behind the wheel, and he said he is only able to make one or two visits a month to most communities. With six years of experience, Aguilar has been with the program almost since its beginning, and shares a seemingly good relationship with the municipal presidents, *enlaces*, *vocales*, teachers, health officials, and beneficiaries he visits. Usually he hands out documents and collects petitions – the most common being complaints from families that have been shut out from the program. The young man integrated both formal and informal routines into his workday, and thus, seemed at ease with any obstacle that might occur with regards to time-delays and miss-

¹⁷ Total number of beneficiary families in Oaxaca, February 16, 2005. This number changes all the time as families leave and enter the program.

¹⁸ Interview, February 15, *San Pablo Macuiltianguis*.

communication. Free-meals in beneficiary villages were the rule, rather than the exception, and it seemed to be more reflective of traditional hospitality than exploitation by a government employee. Nevertheless, the fact that Aguilar charged cash from local children that were hitching rides to neighboring villages might reflect the low level of available resources.

His main contacts within beneficiary communities are *enlaces*, who are chosen and paid by their municipal government, but receive training from *Oportunidades*' state headquarters. They function as links between the community and the program, and identify geographical limits, help with registering and re-certification of beneficiaries, help arrange money payouts and health talks, collect information on attendance from schools and health clinics, and in general, assist program officials with daily operations.

A large portion of Oaxaca's 570 *enlaces* are men, which might seem like a contradiction with regards to the program's overall focus on female participation and empowerment.²⁰ Among the *vocales*, however, there is almost full female coverage. Leticia Valle, the program's chief of operations in Oaxaca, explained their role:

Vocales are elected every three years, and can be re-elected. There are three *vocales* in every community, and their role is to pay attention to the rest of the women in their communities. They don't receive any pay for their role, only the same benefits as the other *titulares*. Their responsibility is to invite the rest of the mothers to send their kids to school and health stations, and invite them when money arrives to be handed out. It is a system that works well, and the *vocales* are accepted and respected by their communities.²¹

By utilizing the system of *enlaces* and *vocales*, the program has established a system of local expertise and local participation that has proven successful. This was demonstrated during a day of cash payouts in *Tamazulapam del Espíritu Santo*, where both *enlaces* and *vocales* helped to make the process run as smoothly as possible for all involved actors.²² The local *enlace* translated the technical assistants' informative

¹⁹ Interview, March 16, *Tamazulapam del Espíritu Santo*.

²⁰ This rough estimate is based on personal observation on March 11, at this year's gathering and training of *enlaces* in Oaxaca City, where the percentage of men seemed to be 70-75.

²¹ Interview, February 17, Oaxaca City.

²² Descriptions based on observation, March 16, in *Tamazulapam Del Espíritu Santo*.

speech from Spanish to *Mixe* in advance of the payouts, where they were informed about the latest developments of the program and the conditions attached. *Vocales* helped the beneficiary women from their own villages to sign and submit the correct documents. Throughout the entire session, the beneficiaries, who were women from 18 nearby villages and counting 400 in total, talked and laughed among themselves in *Mixe* – the local indigenous language. They were dressed in colorful traditional dresses, and thus added a festive mood to the already picturesque scenario in the small mountain town. The seriousness of the process was, however, reflected in the shadow of the city hall, where the representative from BONSEFI sat behind a wooden desk. Surrounded by heavily armed police officers he handed out envelopes with cash to beneficiaries, one at a time. BONSEFI is *Oportunidades*' main provider of bank-services, and the fact that the bank was handing out all benefits as cash implies that the policy objective of providing beneficiaries with access to instruments of savings and credit has yet to succeed in this area.

By transferring the cash from *Mitla*, a town approximately three hours by car from *Tamazulapam* and the nearest town with a bank, the cash-support is handed out in the *Ixtlán* district's remote municipalities. This shortens the trip considerably for many of the beneficiaries, and is why the system works at all. Still, some had to walk for two or three hours to get there, and the program's headquarters is in constant demand to set up new payout centers. Such an action, however, is not easily done in certain areas, mainly due to security issues.

In *San Pablo Macuiltianguis*, with its 76 local beneficiary families (221 in the entire municipality which consists of this and one other village), the women had to walk for about four hours to get to the payout center. This meant that a whole day went by in order to collect the benefits. On February 15 (2005), program sub-director Niño and technical assistant Salvador Sandobal met up in the town hall in order to discuss a petition with the village council.²³ Municipal President Alvaro Alavez Garcia had sent the petition on behalf of his electorate in order to apply for a payout

²³ Descriptions based on personal observation at meeting, February 15, 2005

center in *Macuiltianguis*. The discussion went on for a couple of hours, where Niño meticulously explained the program's operational rules with regards to cash payouts and security. *Macuiltianguis*' problem was that the municipality did not have a local police force or any form of armed private security. Because *Oportunidades*, being a government program, is required by law to secure order and the safety of the people at cash payouts, it was not possible for Niño to promise Garcia anything. Instead, they made a deal that the municipality would send some men for security training in a nearby town, and thus, receive a payout center when that was done.

The meeting illustrates two important features of the implementation process in Oaxaca. First, program officials are dedicated when it comes to listening and searching for solutions to operational problems. Second, there is a security problem, due to the state's geography and widespread poverty. According to Niño, a few robberies have occurred when cash has been transported into certain regions, and there have been occasions where local leaders will not provide enough security when cash is handed out. Leticia Valle confirmed the latter:

Although no problems on the state-central government level exist as far as the program concerns, there are problems on the local level with local authorities. There need to be security when support is handed out, and in some states with opposition municipal-governments the police will not cooperate, or the local authorities will not give adequate support. Some governors do not give enough support, so sometimes we need to cancel the payout session.²⁴

However, as the cash is insured, beneficiaries still receive their support when robberies occur - albeit a bit later.

3.2 Environment

The Mexican world of party politics and the presidency was interlinked throughout the 71-year-reign of the PRI. Welfare programs were linked with clientelism and electoral fraud all the way through the Presidency of Carlos Salinas de Gortari (1988-94). His administration's main effort at poverty alleviation, the National Solidarity Program (PRONASOL), was initiated at the end of 1988 and ended with his

²⁴ Interview, February 17, Oaxaca City.

presidency. It constituted a targeted program aimed at developing health, education, housing and infrastructure in marginalized areas. The program, however, was to a certain degree driven by political motives. According to Susan Gordon (Forthcoming 2006: 11):

The authors who analyzed it concluded that the assignment of PRONASOL's resources was not based on objective indices of poverty, such as that of marginalization, but that the criteria of distribution of its budget were directed to favoring the recovery of votes in favor of PRI, that had been lost in 1988.

The tradition of politicized welfare policies changed gradually as Salina's minister of public education, Ernesto Zedillo, was elected to the presidency in 1994. Zedillo faced several challenges as he initiated his six-year period in *Los Pinos* (the presidential headquarters). First, he was a second-choice candidate; only mandated after Salina's originally picked successor was assassinated a few months before the election. Thus, he did not enjoy strong backing from PRI (Menocal 2001: 517). Second, as Mexico joined NAFTA on January 1st, 1994, the EZLN launched its uprising in Chiapas, and focused attention to the living-conditions of Mexico's indigenous population. According to Lustig (1996:164):

The Chiapas revolt is the desperate protest of a group that feels it has been neglected for decades. It is a protest of those who feel they have been left behind while the rest pushed ahead. Although poverty in Chiapas has existed for a long time, the situation became aggravated when the international price of coffee dropped sharply (as a result of the unraveling of the existing international agreement), and no adequate safety nets were in place to cushion the blow.

On top of it all came the crash of the Mexican peso, which led the country into a severe economic crisis. Thus, it was obvious that Zedillo needed a de-politicized social policy in the shape of a program that removed any doubt that his administration took the issue of poverty seriously. His stated goal was to break the circle of extreme poverty, and it was to be done "through programs that leave no room for self-aggrandizement or any form of paternalism or patronage" (Zedillo 1997).

Beginning in 1995, a decentralization effort (known as The New Federalism) was speeded up in accordance with Zedillo's efforts to empower the states and municipalities. By 1996, 65 percent of the anti-poverty infrastructure efforts had been

transferred from the Federal Government (Gordon Forthcoming: 17).SEDESOL's leadership wanted to continue PRONASOL, however, but Zedillo brought in Jose Gomes de Leon and Santiago Levi. They were not part of the political elite within SEDESOL, and were appointed to design a new program. Levi had studied the fight against poverty in the United States, and came up with the idea of targeting the program at the poorest.²⁵ Out of these efforts came PROGRESA, which by its continuation with Fox's PAN presidency broke the tradition of social programs as being coterminous with their creators. Fox took on the presidency in line with his predecessor's rhetoric, and during his first state of the union address, stated: "We have carried on an especially heavy war against poverty in rural areas. We are spending 28 percent more than last year on the new PROGRESA program" (Fox 2001). The fact that a PAN government continued a social policy created by a PRI government illustrated PROGRESA's (soon to be renamed *Oportunidades*) popularity and support across political divisions. According to Fidel Maza, "the program has wide support over political fractions, and it will continue for years. No politicians would stop the program."²⁶

Whether or not the program will be continued can only be judged after the 2006 presidential elections. Still, there are several indications of a continued operation, and Maza's optimism was reflected throughout the program's administration. Jose Carlos Rocha argued:

If the political environment changes, the policy might change. The program might become less focused, but the IDB would then withdraw their support to the program. I believe no one would change it. It is a popular program, and no congress has cut the budget of the program. PRI started it. Pan accepted and continued it. And PRD is leftist and in favor of social policies. While other programs, like Seguro Popular, get their budgets reduced, *Oportunidades* gets increased funding.²⁷

In addition to political support, *Oportunidades* enjoys substantial legitimacy in public opinion and the established press. Whether this is the result of extensive marketing, which is done by the Fox administration on behalf of the *Contigo* strategy, or due to a

²⁵ Sara Gordon, interview, March 4, Mexico City.

²⁶ Interview, March 11, Mexico City.

²⁷ Interview, February 25, Mexico City.

general understanding of the program's benefits, is a question beyond the scope of this thesis. There are, however, reasons to believe that the program has benefited from regular evaluations and the documented efficiency these have provided.

PROGRESA was initiated by the Zedillo administration and designed by technocrats from his inner-circle. To what extent international pressure or influence played a part during those first days would be mere speculations. It might be possible to argue that PROGRESA came out of the emerging poverty-rhetoric within the international community. According to Gordon (Forthcoming 2006: 11):

The earlier economic model had not paid enough attention to the marginalization of the population; the fight against poverty began to dominate social policy. This policy emphasis was part of the social policy favored by international organizations such as the World Bank and the OECD (Organization for Economic Cooperation and Development) that recommended providing selective attention to groups living in extreme poverty, and in an atmosphere of growing interest by various nongovernmental organizations, of volunteers, masses, citizens networks, etc, in providing public and private goods and services.

On the other hand, Mexico's entrance into NAFTA might have pressured the government to act.

PROGRESA was funded entirely through domestic resources throughout the program's first five years. By 2002, the budget had reached US\$1.8 billion, which constituted 0.3 percent of the country's GDP (Ayala 2003: 5). Despite a domestic base, the program gained international recognition due to its innovative design. Britto (2004: 5) states:

UN agencies and development banks are unanimous in highlighting CCTs as one of the 'best practices' of social protection in Latin America. This support is not only rhetorical, but also practical as considerable funding has been given to the dissemination of program experiences, expansion of existing initiatives and replication of similar programs elsewhere.

As a result, PROGRESA became part-financed by a US\$1 billion loan from IDB in order to expand, both in scope and coverage, into the new *Oportunidades* program. The loan was projected for three years. According to Jose Carlos Rocha, accountant at *Oportunidades* department of external credit, IDB entered the scene when the program was almost fully designed with its three components. They approved of the design and decided to support the program. Besides financing, IDB contributes with

some evaluative expertise.

Thirty to forty percent of *Oportunidades* budget is financed through the IDB-loan, which was renewed this year with another US\$1.2 billion, while the rest is financed through domestic taxes. The program operated with a total budget of \$2.4 billion in the period 2002-05, and the estimated budget for the period 2005-2008 is \$2.85 billion. Thus, with financial backing from IDB and a supportive Mexican Congress willing to maintain the program's budget, *Oportunidades* is financially secure until 2008. By then, the program will already be in the process of downsizing.

With regards to geographical factors, it is necessary to look at the differences between urban and rural living – a difference that was the focus of a 2003 evaluation. According to Iliana Yashine, *Oportunidades*' director of evaluations, this evaluation emphasized the higher costs associated with going to school in urban areas. In addition, there was a focus on women's schedules, as most women work outside the home in these areas. This makes it difficult to participate in the scheduled health talks, and the evaluation suggested adapting the program's schedule to that of the workingwomen. So far, this has yet to happen. The reason, according to Yashine, is the decentralized health-sector, which makes for complicated implementation-changes. Workers-unions and other groups are involved in the process, and they all carry demands in favor of their members.²⁸

Besides the urban-rural divide, which has the attention although no solution yet, there is a geographic dimension that is missing from the official program rhetoric, namely geographic inequality.²⁹ According to a World Bank document (2003: 1):

Poverty can have a geographic dimension: a poor household in a well-endowed area has a good chance to escape poverty eventually, whereas an identical household in a poor area is likely to see a stagnation or decline. Policies that redress geographic inequalities may permit capital and labor in the poor region to be more productive and so stimulate pro-poor growth.

Even though the poor states of southern Mexico differ considerably with regards to infrastructure and economic situation, *Oportunidades* does not redress these

²⁸ Interview, March 3, Mexico City.

²⁹ Inequality is predominantly an issue of male-female relationships throughout key *Oportunidades* documents.

differences. The program is standardized throughout the country, and the only difference between states is the number of beneficiaries, due to the geographic targeting, where the states Oaxaca, Chiapas, Guerrero and Veracruz have the highest numbers. As the program cannot serve communities without necessary infrastructure of basic services, about 15.000 communities are excluded. These are very small communities, some with only four to five families. Although no statistics exist on the distribution of these communities, there is reason to believe that a considerable proportion of them are located in the southern states. Thus, even though the program, due to its targeting-mechanisms, supports a larger share of families within the poorest states, no evidence suggests that particular efforts are made in order to favor less-endowed areas in need of special supply-side efforts.

Cultural factors are of special importance in Mexico's southern states, especially in Oaxaca, where indigenous communities make up a large portion of the total. A principal pro-poor policy like *Oportunidades* should, thus, take this aspect into account in order to care for the people of the most marginalized communities. Although the beneficiaries of *Tamazulapam* and *Macuiltiangus* did not mention difficulties with regards to program operations, Iliana Yashine, from *Oportunidades'* evaluations department, indicated that there are certain problems. "A new study show that the health talks are not that functional in indigenous areas, because there are language and cultural barriers," she stated. These barriers are manifested through the lack of Spanish skills among beneficiaries in certain areas, and, in addition, the fact that many beneficiaries in indigenous communities do not accept ideas that are presented at the health-talks. According to Leticia Valle, chief of *Oportunidades'* operations in Oaxaca, these groups have their traditional medicines and practices, and are not familiar with the modern medicine that is promoted at these talks. Even though aspects regarding indigenous versus non-indigenous issues have not yet been explored throughout the program's evaluations, it is clearly important to allow for cultural traditions within a social policy, and, in this respect, *Oportunidades* has ample room for improvement.

Strategy and Legal Framework

Contigo, which can be described as an attempt to address social risks through a life-cycle approach, includes several programs besides *Oportunidades* - the only program aimed exclusively at extreme poverty. The *Contigo* strategy came as a result of the National Social Development Plan, which was launched by the Fox administration in 2001. *Habitat* and *Microrregiones* are two other main programs. While *Habitat* seeks to improve the urban environment by constructing housing and improving basic infrastructure in Mexico's 32 main cities, *Microrregiones* seeks to do the same within the country's most marginalized municipalities. In addition, the health insurance system for formal workers – *Seguro Social* – has been supplemented with a health insurance system for the uninsured poor – *Seguro Popular*. Thus, the Government's antipoverty strategy works at several levels, and can be said to meet the 'Joint Requirements' principle, which by Michael Lipton (1996: 4) is regarded as one of the principles necessary in order to achieve successful poverty reduction. The principle indicates that durable progress is unlikely unless one can meet several requirements jointly.

One central issue, however, is left out of the *Contigo* strategy. In fact, it seems to be left out of the Government's strategy all together. Mexico's country assistance strategy paper, developed in partnership with the World Bank (2004: 12), states that "the job-creation strategy lies mainly in the environment for private investment." This might seem contradictory when more than half of Mexico's population works in the informal sector, with that number increasing to more than 80 percent in the southern states. Still, when looking at the general characteristics of the anti-poverty agenda, the contradiction lessens. According to Sara Gordon of UNAM, one characteristic with these programs is the fact that they leave the market alone. "They give people a chance to use the market. Fox's idea is to generate capabilities and let people create their own jobs," she stated.³⁰

Considering the Mexican government's history of politicized and corrupt social

³⁰ Interview, March 4, Mexico City.

policies, one could easily mistake the *Contigo* strategy and *Oportunidades* of being more of the same old. However, due to the implementation of the Law of Transparency and Public Access to Information, which was implemented in 2002, this has not been the case. The law has made information more accessible, and it is now possible to gain access to budgets, objectives, evaluations, etc. at public offices or through the Internet. Whether this improved accessibility helps, or rather, whom it helps, can be questioned. During one meeting in *San Pablo Macuiltianguis*, it was obvious that the municipality leadership had little information regarding *Oportunidades*' regulations and procedures, and, thus, did not possess necessary information with regards to rights and duties. Although program officials did inform them on the issues that were brought up, it seems clear that the law itself is not enough. Still, it can be argued that the law's transparency paragraphs have at least two major contributions. Due to its requirement that regular evaluations are mandatory, *Oportunidades* has gained considerable recognition, and has to a certain degree become institutionalized. This makes for improved long-term planning abilities, and increased security for program employees and beneficiaries. In addition, the disclosure of budgets and allocations has made, at least officially, corruption at both central and local levels succumb to the rule of law.

3.3 Performance

As outlined in the analytical framework, this section looks into performance regarding results. As operations have been explored throughout previous sections of the chapter, this part will be limited to evaluations, their findings, and their impact on program performance.

One of the major aspects of *Oportunidades* is the ongoing evaluation process that is conducted by external actors in order to ensure objectivity, and which have contributed to legitimize the program from day one. The first round of evaluations was conducted by the Washington D.C. based International Food Policy Research Institute (IFPRI) between 1997 and 1999. During this round, evaluations were conducted as perfect experiments, with test groups. These test villages were then

incorporated into the program, and experimental research was no longer possible. In a concluding document, the institute's researchers states that: "*Progresas*' combination of education, health, and nutrition interventions into one integrated package can be an effective means of breaking the intergenerational transmissions of poverty" (IFPRI 2000: 3). Furthermore, they confirmed that after just three years:

The poor children of Mexico in the rural areas where PROGRESA is currently operating are more likely to enroll in school, are eating more diversified diets, getting more frequent health care and learning that the future may look quite different from the past (Ibid.).

IFPRI's evaluation and the resulting documents led to two major changes within *Oportunidades*. In 2001, the program was extended to urban areas and educational support was extended to include high school students (CIESAS 2004: 7).

Results from the latest round of program-evaluations were released in the spring of 2005, at the end of an extensive evaluation process, conducted as a joint-effort between the National Institute of Public Health (INSP) and CIESAS. This round of evaluations dealt with *Oportunidades*' medium-term rural impact on school enrolment, maternal and infant mortality, overall goal-performance, program costs, attachment to the rules of operation, and a qualitative assessment of the program's short-term effects in urban areas.³¹ Quasi-experimental research-designs were applied in order to compare results within the beneficiary population with that of non-beneficiaries. According to Juan Ferrando, one of *Oportunidades*' Evaluation and Planning Department's sub-directors, the external evaluators work independently.³² His department does not interfere with the research process, but, rather, hire one institution as a general research coordinator, and states what kind of information they need. In addition, the evaluation-department checks the documents for consistency and proofreads.

Throughout the latest round of evaluations, INSP was in charge of quantitative activities, while CIESAS was in charge of qualitative. The quantitative research is the

³¹ Short-term evaluations were conducted after two years in rural areas. Mid-term effects were conducted after five to six years, and long-term effects will be evaluated in about three years.

³² Interview, March 3, Mexico City.

most important, and thus, produces the most number of documents. While it is only one or two qualitative documents published in every round of evaluations, there are usually 10 to 20 quantitative (IFPRI produced up against 30). This ratio is due to the larger number of (measurable) quantitative indicators, and the fact that quantitative studies are mainly conducted through surveys while qualitative studies utilize focus groups – the latter involving more resources.

Results

Beginning with *Oportunidades*' overall objective – to reduce extreme poverty – findings from the 2004 evaluations show that the program has a positive impact on socio-economic conditions:

The impact on poverty reduction of the program in the urban areas is high and comparable to the previous rural evaluation. We calculated the Foster, Greer and Thorbeck poverty measures and found that taking the program's eligibility cut-off point and current coverage in the urban areas, the program significantly reduces not only the percentage of people under the line, but also improves the distribution of income among the poor (IDB 2005: 6-7).

The Foster, Greer and Thorbeck (FGT) poverty measure is an income-based index that “allows for exposing more poverty with greater inequality among the poor (Gordon & Spicker 1999: 64). By applying the FGT to the evaluative exercises, INSP is in line with *Oportunidades*' use of income/consumption-based poverty definitions and lines, and thus in accordance with overall policy. However, the use of such an indicator can be problematic: “The value of these indicators is not appealing. We can interpret them only in relation to other known values to get a sense of what the index is actually saying” (Ibid: 67).

Amongst the medium-term rural findings is an increase in completed schooling. According to evaluators, “the observed effects are in the neighborhood of one full year of additional completed schooling for program participants after five years in the program” (IDB 2005: 1). Further, with regards to health, indicators show that maternal mortality has decreased by 11 percent in incorporated communities, while incidences of stunting among female and male infants have decreased by 39 and 19 percent respectively (Ibid: 16). These, and multiple other results, imply that the

educational and nutritional status has improved, and that the program does have an effect on the accumulation of human capital. Similarly, short-term urban evaluations show positive impacts, although different than the medium-term impacts. Food consumption, and especially consumption of protein-rich foods, increased noticeably, and the use of health-check-ups for children up to five years increased by 16 percent. Further, the program showed to have positive impacts on the educational attainment levels of both boys and girls. Still, when considering the policy objectives of advancing towards equality in education and within health, there are few indications as to the degree of such advancement. Such measurements will be important when the overall achievements of the program are to be evaluated, as they are directly linked to explicit policy objectives.

There are certain issues that need more attention if the full impact of a program like *Oportunidades* is to be understood. One such is that of the overall achievement of the policy, and whether the applied evaluative indicators are sufficient in order to hail the program as a success in this regard. The overall achievement can be regarded as *Oportunidades*' impact on human development. Beneficiaries themselves seemed to be generally satisfied with the program's impact. One *titulare* from a small village nearby *Tamazulapam*, a 41-year-old woman with one child in primary and two in upper-secondary school, expressed her gratification as follows:

Before *Oportunidades* we did not have health-clinics, and people were dying of diseases. Now, because of the support, the situation is much better. We have health-stations and people get cured from their diseases.³³

Other *titulares* expressed the same view, with an emphasis on the effects on their children. One young woman from *Macuiltianguis* stated:

The program helps a lot because of the nutritional supplement. It does a lot for people's health. We are thankful to the government for supporting the women and the children. It is now possible to support the children's education and health continuously.³⁴

³³ Interview, March 16, *Tamazulapam del Espíritu Santo*.

³⁴ Interview, February 15, *San Pablo Macuiltianguis*.

These and other statements reflect an overall satisfaction with the immediate effects of *Oportunidades* as experienced after a few years of operations. Nevertheless, a policy that aims at reducing extreme poverty within Mexico must include long-term achievements as well. These, although difficult to measure at this stage, must include both cultural and structural impacts.

With respect to cultural aspects, and especially that of the social fabric within indigenous communities, the program's director of evaluations, Iliana Yashine, stated that it will be looked into at a later stage. As they now have finished mid-term evaluations in rural areas and short-term evaluations in urban areas, space has been provided in order to explore themes that have not yet been studied (indigenous vs. non-indigenous culture, gender-issues, etc.).

Long-term structural aspects, on the other hand, are to a large extent absent from the official program rhetoric. They are undoubtedly important, but at the same time they constitute profound factors that go beyond human capital and immediate beneficiary satisfaction. There should be no doubt that nutrition, health, and education is of the greatest importance to human development. However, these need to be supplemented with supply-side efforts and adjustments that generate a viable economic environment. Miguel Székely (2001: 11 & 27), who has done extensive research on development policies in Latin America, argues:

Relying on these programs [CCTs] as the full social strategy of a country is like throwing the poor a lifesaver that may keep them temporarily afloat but doing nothing about the storm that is drowning them. (...) If other elements of the economic environment are not modified, these types of government intervention will always be swimming against the tide.

Carlos Joaquin Aguilar, *Oportunidades*' technical assistant in *Ixtlán*, shared this view:

I think it is a good program, but it does not do anything with the structural situation. It does not create economic opportunities for people because it does not create production. There are few jobs, and this program does not help that (...) Many young men leave for the US when they are 16 or 18. Some girls too, but many stay here. The boys send money home to their families, because there are no jobs for the young here.³⁵

³⁵ Interview, March 16, *San Pablo Ayutla*, *Ixtlán* district.

Also *Oportunidades*' health director, Fidel Yamasaki Maza, expressed a similar view. Although he insisted on the program's efficiency and positive results throughout the country, he stated:

...it is difficult in the South. I used to be chief of operations in Chiapas, and like Oaxaca, it is a very difficult state in which to deal with poverty. The South has been left out of the industrialization, and there is no creation of jobs or wealth. There are few opportunities, and poverty will not disappear until the economic environment changes. There is a need for investments and the build up of industry."

These are pressing issues that show how *Oportunidades* is part of a larger picture – one that needs more attention and action, both directly and indirectly. Although the program is successful, with good achievements on the basis of key policy objectives and with the ability to help beneficiaries lead better lives, there are issues that need more clarification. The program's extensive evaluation process represents a golden opportunity to address important issues, which in the end might lead to an alteration of existing policy characteristics, or to supplementary policies that go beyond human capital building.

3.4 Summary

Throughout this chapter, *Oportunidades*' implementation process has been explored within the analytical framework developed in chapter two. The aim was to seek out the program's main characteristics through the use of implementation theory. By focusing on Oaxaca, and two communities in the *Sierra Norte's Ixtlán* district, I made an attempt at detecting both advantages and shortcomings in relation to the implementation process.

Hailed as a success by the Mexican government and international donor agencies, *Oportunidades* represents an attempt at implementing several progressive features. Its focus on the human development of women and children, through targeted cash-support conditioned on school enrolment and regular health-check-ups, reflects an innovative state of mind amongst implementers. In addition, the program's strong emphasis on joint responsibility and local contribution – although the program's hierarchical structure is characterized by a strong element of top-down

decision-making - makes for an effective implementation process that achieves many policy objectives. Nevertheless, some of *Oportunidades*' features need to be discussed further. First, the fundamental notion of poverty is treated with ambiguity within the program's framework. The rhetoric in official statements reflects a multifaceted view on poverty that is in line with progressive ideas on the issue. Still, applied definitions and techniques represent more traditional views on poverty as an income/consumption-based problem. Although a practical application of any well-defined theoretical concept involves the consideration of what is practically feasible, and *Oportunidades*' use clearly involves such considerations, I will argue that only further scrutiny can reveal realistic possibilities that might improve policy.

Second, aspects of targeting and sensitivity to cultural diversity were found to be areas for which improvement might be possible. In addition, the program's evaluative process, although impressive in and of itself, is a matter of such importance that ways to improve it should be subject to an ongoing discussion.

Throughout the analysis' last section, structural aspects were explored, and it was found that the program does not pay sufficient attention to the economic environment and structural conditions that are an inseparable part of a developing process. As a major part of Mexico's anti-poverty effort, *Oportunidades* constitutes an attempt at changing a condition wherein multiple variables play important roles. Thus, a wide range of conditions and remedies should be considered.

Without forgetting that *Oportunidades* is but one policy aimed at one overall goal, more discussion is vital when dealing with the aims and ends of human development. The following chapter represents an attempt at bringing the discussion further, by applying these findings in the context of the capability approach.

4. The Capability Approach to Anti-poverty Policy

The aim of this chapter is to study the last research question on the basis of the implementation analysis. Certain of *Oportunidades*' characteristics – that might be considered problematic, or in need of further scrutiny – is discussed in the context of the capability approach. This makes it possible to explore whether the capability approach can be operationalized in order to function as a basis for public policy for poverty reduction. The relevant aspects – poverty understanding, targeting, cultural diversity, evaluative exercises, and structural conditions – are discussed separately in relation to Sen's writings on the capability approach. Further, critique against the approach is discussed in relation to these empirical examples whenever it is of relevance. Altogether, this hopefully makes for an exploration that both illuminate the capability approach's possibilities in the context of anti-poverty policy, as well as any negative features that might be in need of further discussion.

4.1 Understanding Poverty

Both *Oportunidades*' founders and current leadership express views on the concept of poverty that resembles the ideas of the capability approach. The applied definitions, however, reveal that other, more traditional understandings of poverty lie at the heart of the program. Its manifesto describes extreme poverty as a condition where a household's income is insufficient to cover basic necessities of nutrition, health and education. Income and commodities are emphasized as the unit of measurement. Sen (1999: 87) does not contradict the fact that "low income is clearly one of the major causes of poverty." However, his argument is based on the notion that low income is an important factor because it "can be a principal reason for a person's capability deprivation." Thus, he extends the concept of poverty to include deprivation of capabilities as the key conceptual factor. While *Oportunidades* bases the poverty line on income, the capability approach encourages a poverty line based on the measurement of capability deprivation, which according to Sen is 'intrinsically important'. Consequently, Sen encourages an approach that defines and measures

poverty within the space of people's capabilities, or, when this proves futile, within people's achieved functionings. He argues that poverty "is not a matter of incomes at all; it is one of a failure to achieve certain minimum capabilities" (Sen 1985: 670).

Evidently there are disparities between official rhetoric and applied concepts with regards to *Oportunidades* and how key implementers conceive poverty. The answer to why, lies probably not as much in the conceptual understanding as in the overall trend of poverty reduction strategies, that was predominant in the 1990s. In "A Strategy for Poverty Reduction", the IDB (1997: 9), argues: "There is little doubt that investments in the human capital of the poor are a powerful tool for both reducing poverty and increasing the economic potential of a country." This increase of human capital is to be achieved through investments in education and health – especially that of women. Human capital is the key concept with regards to human development throughout the document, and it reflects a line of thinking that was prevalent both within development banks and national governments in Latin America at the time.

Sen (1999: 293) emphasizes the importance of moving beyond the concept of mere human capital when he argues:

Given her personal characteristics, social background, economic circumstances and so on, a person has the ability to do (or be) certain things that she has reason to value (...) The human capital perspective (...) is typically defined – by convention – primarily in terms of indirect value: human qualities that can be employed as "capital" in *production* (in the way physical capital is). In this sense, the narrower view of the human capital approach fits into the more inclusive perspective of human capability, which can cover both direct and indirect consequences of human abilities.

It can be argued that *Oportunidades* incorporates both direct and indirect valuations with its emphasis on education, health and nutrition. Nevertheless, the program's strong attention towards actual human capital formation, rather than striving for a direct relevance to people's freedom, leads the underlying ideas of the program towards a more simplistic notion of poverty and its possible reduction than what Sen promotes.

Traditionally, poverty lines constitute a cut-off point wherein the percentage of the population that is below the poverty line is defined as poor. In the case of Mexico, about 25 percent of the population is defined as living in conditions of extreme

poverty, while 46 percent live in conditions of patrimonial poverty (SEDESOL 2003: 22). According to Sen (1992: 102), the use of an income-based poverty line, like the Mexican, is problematic, because it “pays no attention to the fact that people could be a little below the line, or a lot.” Instead he opts for a more capability centered approach:

...the poverty line may be defined to represent the level at which a person can not only meet nutritional requirements, etc., but also achieve adequate participation in communal activities and be free from public shame from failure to satisfy conventions (1983: 167).

What implicitly follows from this reasoning is an expansion of the ‘space’ wherein poverty is measured. According to Sen (1999: 93):

The contrast between the different perspectives of income and capability has a direct bearing on the space in which inequality and efficiency are to be examined. For example, a person with high income but no opportunity of political participation is not “poor” in the usual sense, but is clearly poor in terms of an important freedom.

Although income remains an important space, the capability approach thus encourages an expansion towards alternative types of spaces – e.g. unemployment, nutritional status, morbidity, literacy, etc. In the Mexican context, this would imply using different types of statistics than the income/consumption-based statistics applied when PROGRESA was initiated. These types of statistics are already partially available in Oaxaca, through DIGEPO’s marginalization indexes, where measurements of household and community conditions are supplemented with an emphasis on certain socio-cultural factors.

By expanding the measurement-space the capability perspective encourages an approach that goes beyond traditional poverty lines – one that is more in line with poverty’s multifaceted characteristics. Sen (Ibid: 109) argues:

The respective roles of personal heterogeneities, environmental diversities, variations in social climate, differences in relational perspectives and distributions within the family have to receive the serious attention they deserve for the making of public policy.

While *Oportunidades*’ applied use of the poverty-concept is connected to income/consumption per se, the capability approach encourages an application that deals directly with capability deprivation. Policy implications from this include a

more extensive process involving higher costs. Nevertheless, it might also imply a more fair measurement than a traditional poverty line.

4.2 Targeting versus Universalism

A capability approach to poverty mapping in Mexico would most likely have led to a different scenario, where deprivation not necessarily follow the lines of low income.

With regards to policy implementation, Székely (2001: 16) points out:

In the case of the PROGRESA program, a key issue is that by definition, some of the poorest of the poor do not have access to its benefits because they live in isolated and remote areas where no school or health clinic exists. If the program were accompanied by supply-side efforts, or by support for temporary reallocation (during the school year) or subsidies to transport costs, it could perhaps reach these sectors of society.

As mentioned earlier, this factor excludes about 15.000 communities. Although an important aspect of *Oportunidades*, it does not directly relate to the poverty line, or the measuring of poverty as such. Rather, it relates to the targeting mechanisms that were applied when the program was implemented. Geographic targeting and proxy-means testing was applied, and this approach has been met with both national and international enthusiasm.

Sen does not encourage an either or approach to the issue of universalism versus targeting. Still, his writings are inclined towards seeing targeting as a usable, but problematic distributional technique. The usability is based on the notion that targeting, in contrast with universal distribution, has a stronger economic and political feasibility under many circumstances. However, he emphasizes, and especially with regards to means-tested targeting, that there are several distortions that “may result from attempts at ambitious targeting” (Sen 1999: 135). Informational and incentive distortions might arise, and it can lead to scenarios where some needy people are not included. Further, Sen stresses the issue of social stigma, where being labelled as poor might affect one’s self-respect as well as that of others. In addition, administrative costs, corruption and political sustainability are all aspects that can complicate a targeting process. With regards to the latter, Sen (1999: 136) writes:

The beneficiaries of targeted social support are often quite weak politically and may lack the clout to sustain the programs in political jostling, or to maintain the quality of the services offered. In the United States, this consideration has been the basis of some well-known arguments for having “universal” programs, which would receive wider support, rather than heavily targeted ones confined only to the poorest. Something of this argument cannot but relate to the poorer countries as well.

Implicit in this argument lies some skepticism towards targeting. Still, Sen never writes off targeting as a policy technique, and limits himself to stating:

Targeting is, in fact, an *attempt* – not a *result*. Even when *successfully* targeted outcomes would be just right, it does not necessarily follow that attempts in the form of targeted programs would produce those outcomes (Ibid: 137).

Despite this skepticism, he never embraces universalism as a solution, and in the end, there seem to be few advices – except being critical – from which policy designers might benefit. Nevertheless, as there is evidence of certain incentive distortions in the case of *Oportunidades*, one might argue that the Sen implicitly encourages less targeting in local communities – especially indigenous communities. This would require a creative interpretation of Sen’s writings, but, notwithstanding, one that holds a certain amount of support. Practical implications might involve a combination of geographic targeting with universal benefits within communities.

4.3 Cultural Diversity and Social Structures

It was described in chapter 3.2 how *Oportunidades* is partly insensitive to cultural diversity. This insensitivity was mainly linked with health issues and the indigenous cultures that are prevalent in many of Oaxaca’s municipalities, wherein traditional medicine is ignored in favor of modern methods. In addition, the chapter on targeting showed how indigenous collective traditions, like the sharing of communal work-tasks, is threatened when inhabitants are divided into beneficiaries and non-beneficiaries.

The capability approach does not represent any ready-made formula on how to make public policy culturally sensitive. In the context of extreme poverty, where it can be argued that basic capabilities should be the focal point, community-relationships and cultural traditions have to yield for individual functionings of nutrition and health. At this point, criticism of the approach’s excessive individualism

and lack of attention to societal structures becomes relevant.

Deneulin and Stewart (2002: 67) express a concern that due to the capability approach's overly individualistic nature, attempts at enhancing conditions that promote capabilities might end up futile. This is based on their understanding that the capability approach promotes a vision where "structures of living" are only instrumental to individual capabilities, whereas they see them as an "intrinsic part of individual lives." Robeyns (2003: 43) argues that theirs is a misreading of Sen and his writings on the capability approach, where they confuse ethical with methodological individualism. A discussion on the technical terminology of individualism and its implications is, however, beyond the scope of this thesis. Rather, I wish to stick with a simplistic notion of individualism per se, and argue that an application of the capability approach that only includes basic capabilities is indeed too individualistic to allow for sensitivity towards cultural diversity between and within communities. A person's ability to be healthy might exist without him or her having an option of whether to utilize traditional or modern means to achieve that functioning. Of course, the person's capability level would increase if that option was present, but even without that option the person would have the capability to be healthy. In so far as Deneulin and Stewart's critique goes, it is appropriate when the focus of attention is basic capabilities. However, the capability approach does not at any point inhibit an expansion towards more complex capabilities. In the context of *Oportunidades*, such an expansion might be suitable. Aiming towards higher education, means of credit, joint responsibility, etc. can be defined as complex capabilities in the same way as the ability to "utilize traditional medical practices" or "communicate in one's own language." When they become part of assessments of individual well-being, these more complex capabilities are indeed intrinsically important. They do not simply constitute means to achieve a greater individual good. They constitute ends in and of themselves.

With regards to *Oportunidades*, an expanded list of valuable capabilities is necessary in order to account for cultural diversity. Although the basic core of the capability approach does not become less individualistic with this move, such an

expansion allows for the important role tradition and human interaction plays in individual lives. In addition, this makes for an approach that can be applied to the exploration of social structures as well, although on the premises of each individual's relation to these structures. The capability approach has so far not been applied to the study of social power, local corruption, inter-community relationship, etc., but Sen's application of the approach to intra-household conditions and gender-issues show that a focus on individuals does not necessarily exclude collective structures.

According to Deneulin and Stewart (2002: 64):

Where there is democracy, opinions tend to be filtered through and influenced by political parties, social norms, and power relations within society across classes, genders and ethnicities (...) The problem is that Sen's concept of democracy seems an idealistic one where political power, political economy, and struggle are absent.

One of the objectives with *Oportunidades*' implementation structure, where power runs directly from federal authorities to beneficiaries, was to bypass local political strongholds and prevent manipulation of benefits. Although the capability approach contains no direct suggestions on how to study and prevent local abuse of authority, the previous discussion shows that there is ample room for such exploration. The question becomes one of whether the approach's individualistic focus is an advantage or not. Townsend (1985: 667) clearly disagrees to it being an advantage, and states:

Types of need, even capabilities in the sense used by Professor Sen, are socially created and have to be identified and measured in that spirit. Human needs are essentially social and any analysis or exposition of standards of living and poverty must begin with that fact (...) Professor Sen's conceptualization does not allow sufficiently for the social nature of peoples' lives and needs.

Further, Crocker (1998: 375) faults the capability approach "for paying exclusive attention to personal choice and neglecting the ways in which the socioeconomic system closes (or opens) choice and damages (or promotes) individual well-being."

These accusations somewhat resembles the accusations against *Oportunidades* and the way it prioritize the family in favor of the community. After all, while *Oportunidades* aims at reducing poverty through investments in individual's human capital, the capability approach promotes individual freedom.

Both strategies are focused on the individual, and as such, there are similarities. However, Sen's emphasis on the importance of different types of capabilities (including self-confidence and social relationships) inevitably involves social structures to a larger extent than *Oportunidades*' emphasis on human capital.

A rich community with several deprived inhabitants is within certain definitions still a rich community. It is only by focusing on the individual within that community that inequality might be corrected and the social situation improved for all deprived inhabitants. As the capability approach implies, the evaluative criteria needs to be on the individual level. This, though, does not mean that social structures should be neglected. Rather, it implies that the individualistic approach can be an advantage within the context of policy and evaluative criteria, as long as the focus is expanded to include capabilities involving social forces and structures.

4.4 Structural Conditions

Koggel (2003) accuses Sen of not paying sufficient attention to the negative aspects of global forces' impact on local conditions. Similarly, the previous chapter's implementation analysis found that *Oportunidades* does not pay sufficient attention to the economic environment and structural conditions that generate and sustain inequality. With Mexico's entrance into NAFTA in 1994, and this organization's recent expansion towards other Latin American countries, global forces are increasingly influencing Oaxaca's economic environment – especially the labour market. As *Oportunidades* does little to soothe these shifting trends, it is of interest to explore whether the capability approach contains suggestions for policy improvement.

Based on the previous section's account of cultural diversity and social forces, it is evident that the capability approach in and of itself does not represent a guide to anti-poverty policy improvement. Additional factors are needed, and they might include theories of, e.g. social choice, political economy or feminist theories, as well as context-specific information. When the capability approach is extended with additional references and applied to empirical cases, there are opportunities of policy

recommendations. One example is by exploring *Oportunidades* and the labour market on the basis of the capability approach and Sen's reflections on the market.

Oportunidades reflects a liberal political climate where it is implied that market mechanisms can take care of any discrepancies as long as they are left alone. This, on the other hand, simply reflects a current political tendency that social policy might be most economically and socially effective, as well as politically feasible, when beneficiaries are encouraged to use the market for their own benefits, rather than transforming the market itself. Sen (1999: 111) seems to share this view, and states: "Any pointer to the defects of the market mechanism appears to be, in the present mood, strangely old-fashioned and contrary to contemporary culture." The argument is based on the simple notion that the freedom to do transactions is an important aspect if human life is to flourish. Thus, on the surface, it might seem like *Oportunidades*' designers and Sen are in agreement with regards to the powers of the market, and its efficiency regarding the creation and utilization of opportunities. However, Sen (Ibid: 116) points out that one must not lose sight of the "complementarity between different institutions – in particular between nonmarket organizations and the market."

Both *Oportunidades*' designers and Sen agree on the notion that government support can have an important role with regards to poverty through the provisioning of education and health. But what about circumstances where there is not enough formal employment opportunities, as in the southern states of Mexico. According to Sen (Ibid: 128):

The rationale of the market mechanism is geared to private goods (...), rather than to public goods (...), and it can be shown that there may be a good case for the provisioning of public goods, going beyond what the private markets would foster.

Public goods are defined as "goods that people consume together rather than separately" (Ibid.). Social problems, like alcoholism and social stigma, domestic violence, crime, social unrest etc., are caused by unemployment, and they can be defined as public problems. Sen uses a malaria free environment as an example of a public good. A violence-free environment, for example, is arguably a similar good.

Thus, employment can be considered a public good, and the capability approach can be extended to encourage a public provisioning of employment through government-supported projects. Unemployment is deprivation of capabilities, and implicit in the capability approach lie the notion that eliminating capability deprivation is of major political and economic concern.

The *Contigo* strategy of leaving job-creation to private market forces seems to have substantial room for alteration within a capability perspective.

4.5 Evaluative Exercises

According to Sen (1999:75), the evaluative focus of the capability approach can be either on “realized functionings (what a person is actually able to do) or on the capability set of alternatives she has (her real opportunities).” Both uses have been applied in the literature, with no development of a so-called best practice so far. Even though he argues that income levels often can be a useful way of getting started, it is necessary to collect other data in order to develop a capability perspective, and he outlines three approaches – direct, supplementary, and indirect – that can be applied to evaluative exercises. The difference between the three approaches amounts to the completeness of the evaluative ranking, ranging from all vectors to one particular. The choice between these approaches and forms depends on available resources and data. To measure capabilities may seem like a clear-cut case on paper, but researchers may experience numerous problems when confronted with the complexities of reality. Sen is aware of the ambiguity inherent in the concept of capability, and admits “some capabilities are harder to measure than others, and attempts at putting them on a ‘metric’ may sometimes hide more than they reveal” (Ibid.).

Oportunidades’ ongoing evaluation process applies a blend of the direct and supplementary approaches, leaning more towards supplementary assessment. Indicators such as literacy, morbidity, school enrolment, nutritional status, frequency of health-check ups, etc. are measured on a general level, and partially describe achieved functionings. Thus, it can be argued that the evaluative exercises connected to the program are on a par with the capability approach. The crucial question

becomes whether the approach has more to offer regarding practical evaluative exercises? A question that leads into territory wherein the capability approach has been met with the most severe, albeit most constructive critique.

According to Sen (Ibid: 78), social evaluations (like *Oportunidades*' evaluative exercises) are social choice exercises that require "public discussion and a democratic understanding and acceptance." This somewhat ambiguous statement is connected to the question of which factors that should be measured, and, thereafter, what weight each of these should represent. Sen leaves the question open, arguing that there exists no perfect formula. He does not suggest what an evaluative informational basis might look like, except that it is the result of an act of reasoning that should be left to the beneficiaries of a policy to decide.

The philosopher Martha C. Nussbaum, whose writings have contributed substantially to the development of the capability approach, has proposed a list of valuable capabilities. The list includes what she refers to as combined capabilities, and includes the following: (1) Life, (2) bodily health, (3) bodily integrity, (4) senses, imagination, and thought, (5) emotions, (6) practical reason, (7) affiliation, (8) other species, (9) play, and (10) control over one's environment (Nussbaum 2003: 12-14). She emphasizes that hers is an open-ended list that is open for revision and rethinking. Thus, it can function as an ideal first list, and thereby undergo change as an empirical process progresses. Furthermore, a reading of relevant literature on capabilities selection reveals that Nussbaum's list contains categories that more easily can be adapted to different empirical cases in contrast with other, more specific lists. Such a list is necessary, according to Nussbaum (Ibid: 32), because:

To get a vision of social justice that will have the requisite critical force and definiteness to direct social policy, we need to have an account, for political purposes of what the central human capabilities are, even if we know that this account will always be contested and remade.

Sen has refused to endorse a definite list of valuable capabilities. What he does consider, though, are five general categories of instrumental freedoms, which directly enhances people's capabilities. They are (1) political freedoms, (2) economic facilities, (3) social opportunities, (4) transparency guarantees and (5) protective

security (Sen 1999:38).

For the purpose of applying the capability approach to evaluative exercises like that of *Oportunidades*, either Nussbaum's initial list or Sen's categories of freedoms can be used, but other lists might be proposed as well. However, the applied list should only be initial in the sense that the capabilities on the list function as broad reference categories, wherein input from policy beneficiaries forms the final list. This final list can then be used as a basis for the analysis – a tool that clarifies the impact of the policy implementation and its success as a poverty reduction strategy from the perspective of the beneficiaries. In the context of *Oportunidades*, a natural point of departure is the measurement of basic achieved functionings, like that of the current evaluation process. As the process progresses, more complex functionings can be measured and weighted, which to a certain extent is being done today. Applying a capability perspective to the evaluation process would imply moving from the measurement of these achieved functionings to the measurement of actual capabilities. This would imply using evaluative resources towards more participatory centred exercises. One possible scenario is where evaluation teams prepare surveys based on focus group discussions. These surveys then contain indicators and weights, consisting of capabilities that beneficiaries themselves find to be of value, which can be measured through the use of already existing infrastructure. This is only a hypothetical example. The implementation of such a change would require development of new techniques, plus a considerable amount of resources. However, such requirements do not make a process unfeasible. In the end, a public policy should be, according to the capability approach, evaluated on the basis of whether it expands people's freedoms - freedoms that are best understood by beneficiaries themselves.

Although few and scattered, attempts at applying the capability approach to policy evaluations have been conducted. These attempts reflect the possibilities of the capability approach to the development of evaluative tools, and show that it is possible to operationalize the approach. However, Sabina Alkire (2002), who has applied the capability approach to an assessment of anti-poverty policy, emphasizes

the importance of leaving the prioritisation of capabilities to those who are engaged directly with a problem. This makes for context-specific operationalization-procedures that utilize local expertise, and does not promote the development of a ready-made recipe for applying the capability approach.

4.6 Implications for Anti-poverty Policy

The capability approach's implicit contribution to public policy lies in the shift of attention from deprivation of income to that of basic capabilities. Sen (1992: 45) defines basic capabilities as the ability to satisfy certain elementary and crucially important functionings like being well-nourished, well-sheltered, and escaping avoidable morbidity and premature mortality. When analyzing *Oportunidades*' main objectives, which are to reduce extreme poverty and create equality within health and education through the development of basic functionings like nutrition, education, and health, it is obvious that they are in agreement with the basics of the capability approach. Increased income is not the overall goal, whereas improved health and an increased educational level among the beneficiary population arguably is. The link between income and improved functionings lies implicit in the frameworks of both *Oportunidades* and the capability approach. Sen (1999: 90) states:

It is not only the case that, say, better basic education and health care improve the quality of life directly; they also increase a person's ability to earn an income and be free of income-poverty as well.

Oportunidades is based on similar ideas, and the use of health and educational investments in order to reduce extreme poverty reflects this. It is not until one extends the vision from achieved functionings to capabilities that deviation from the capability perspective arises. While finishing high school is the result of improved capabilities, and as an achieved functioning generates further capabilities, exceeding a poverty line based on altered income/consumption levels is not necessarily related to capability improvement. It can be the result of multiple external factors, rather than individual capability improvement. Thus, from a capability perspective the program should extend its definition of success, which is when a family leaves the program due to improved household economy, towards criteria of increased basic capabilities of

education, health and nutrition. And, in a more complete sense, aims should be set towards the improvement of more complex capabilities. As Sen (1999: 91-92) argues:

...it is also important not to lose sight of the basic fact that the reduction of income poverty alone cannot possibly be the ultimate motivation of antipoverty policy. There is a danger in seeing poverty in the narrow terms of income deprivation, and then justifying investment in education, health care and so forth on the ground that they are good means to the end of reducing income poverty. That would be a confounding of ends and means.

The emphasis on education reflects a capability related perspective, but when a beneficiary family can be cut off from the program without the children reaching the desired level of education, the objective of equality within education might be questioned. Failing to attend school can reflect a capability deprivation that exclusion only enhances.

So what are the implications of applying the capability approach to anti-poverty policy? One possible scenario is the following thought-experiment: Geography targeting would still be used. Community targeting would be decided through community meetings (maybe benefits would end up being universal within some communities). Capabilities on which to focus, and their weights, could be suggested by program officials, but ultimately decided upon through public discussion and participatory decisions. A specific policy suggestion from this approach might end up being a participatory distribution system. As an imaginary policy it would look something like this: *Oportunidades* officials do much of the same tasks as today - controlling rules of engagement and distributing money in partnership with bank officials. Families could in one instance receive a smaller amount of money, with the rest going into a community-fund where the entire community gathers and votes on the spending of community funds – some of these benefits might go towards supply-side efforts like schools and health clinics. Some might be used towards community land through the purchasing of agricultural equipment etc. *Enlaces* and *vocales* could administer local implementation, and arrange meetings and elections. Household benefits could still be administered by *titulares*, but men could join in on the meetings and elections and thus be part of the process. One important aspect that should remain is the way the money bypasses local political authorities. *Oportunidades* officials

could function as watchdogs (gathering receipts, controlling expenditure etc.) and reward communities that use the money efficiently and equitably. Community-members could also vote to leave the program-benefit system as it is, which might be the case in many communities. This type of participatory decision-making would allow for cultural diversity, as the beneficiaries themselves would become more involved in the implementation process.

Although this scenario implies taking the capability approach far, Sen has indeed left the approach open for discussion and development. And even though quite unrealistic in the current context of Mexico, as costs would probably increase and political support might decrease, the previous thought-experiment does not imply serious deviations from what lies implicit in the capability approach.

With regards to Dworkin's (2000) fears of paternalistic policies, it seems that the capability approach to public policy can be utilized towards the opposite of what he concludes. Although a literal reading of the capability approach could suggest a policy where the government's only goal is to create equality of capabilities through "nannying" individuals' choices, a process involving public discussions and participatory decision-making implies policies that are a far cry from paternalism. Nevertheless, practical applications are needed if the capability approach is to refute allegations of excessive individualism, encouragement of paternalism, and ambiguities regarding operationalization.

4.7 Summary

In this chapter I have explored the capability approach in relation to some of *Oportunidades*' characteristics. First, the concept of poverty was discussed, and it was found that an expansion from an income/consumption-based understanding of poverty towards one of human capabilities might enhance policy performance. This involves moving towards what Sen refers to as the ends of human development, rather than merely focusing on the means.

Next, the issue of targeting was discussed. The capability approach does not discourage the use of targeted program. Rather, it indicates that caution is needed in

order to prevent certain distortions, like the incentive distortions experienced in certain indigenous communities in relation to *Oportunidades*.

With regards to structural conditions, it was found that a basic understanding of the capability approach does not pay sufficient attention to social forces and global influence. However, by expanding from basic to more complex capabilities, it is indeed possible to allow for external conditions – e.g. local forces of power, structural inequality, etc. – that affect individual well-being. However, the influence of global forces (on the labor market, etc.) is absent both in *Oportunidades*' framework and the capability approach.

One of the major issues in this chapter was that of evaluative exercises, where an application of the capability approach would constitute a break with *Oportunidades*' procedures. Although the program involve elements that reflect basic ideas within the capability approach, the latter can encourage a more participatory process where the beneficiaries themselves contribute to the development of evaluative criteria.

Finally, the overall implications of applying the capability approach to policy implementation were discussed. One possible scenario was imagined, where the idea was one of a bottom-up implementation process with abundant participatory planning. This scenario was based on an utmost interpretation of the capability approach, and as such, implies a more complex implementation process. Between that scenario and *Oportunidades*, there is a magnitude of possible policy-scenarios. The capability approach to anti-poverty policy implementation, as shown in this chapter, does not involve a clear-cut proposal. Rather, as an open-ended theoretical foundation the approach contains a multitude of possible policy recommendations, whereof only a few have been explored here.

5. Conclusion

In order to study *Oportunidades*' key features, a combination of top-down and bottom-up implementation theory was applied. On the basis of this theoretical framework, the program's general features, daily operations, and performance were explored as depicted by its implementers, beneficiaries and official evaluations.

By bypassing local authorities, the program deviates from earlier attempts at poverty reduction in Mexico, and combined with features like transparency and regular evaluations, represents a policy that is non-corrupt and economically effective. The utilization of local expertise and participation characterizes the program's effective implementation process, but it is based on a top-down administrative structure that makes for central decision-making, and thus, leaves little space for local influence on policy design. *Oportunidades*' strong focus on women's participation makes for a policy that is progressive with regards to gender issues, and as such, constitute an important step towards gender equality. In addition, the program has managed to reach its goal of five million beneficiary-families well ahead of schedule.

Nevertheless, the study concludes that certain of the program's features might have potential for improvement. The fundamental notion of poverty is treated with ambiguity within the program's framework. Official statements' rhetoric reflects a multi-faceted view on poverty that is in line with progressive ideas on the issue. Still, applied definitions and techniques represent more traditional views on poverty as an income/consumption-based problem. Further, the process of targeting has created distortions in some culturally sensitive communities, where local traditions have proven vulnerable when the population is divided into beneficiaries and non-beneficiaries.

In addition, the program does not pay sufficient attention to structural conditions within the economic environment. Increased globalization and regionalization in North America has benefited certain areas in central and northern Mexico, while Oaxaca and its neighboring states in the south have been left behind. Employment opportunities are scarce, and *Oportunidades* does not address this issue.

One of the major features of *Oportunidades* is the ongoing evaluation process, which has generated a lot of support in favor of the program. External evaluators have proved the program's efficiency, and President Fox's political opponents have been forced to accept its success as a poverty reducing policy.

In chapter four I discussed the capability approach in relation to the findings of the implementation analysis. One of the research questions asked whether *Oportunidades* is influenced by the capability approach, and I found that there are similarities, especially with regards to official policy rhetoric. In addition, both *Oportunidades* and the capability approach are centered on the individual, although *Oportunidades* focuses on the family to a larger extent. Nevertheless, it can be argued that the program, although inspired by the certain ideas within the capability approach, is largely designed on the basis of ideas on human capital accumulation.

Subsequently, it was explored whether the capability approach might contain suggestions on how to improve a CCT program like *Oportunidades*. The approach's basic understanding of poverty was used as a foundation, and it was found that an expansion from the program's income/consumption based utilization of the concept towards that of the capability approach could lead to a more complex but fair poverty line. Further, an expansion from basic towards more complex capabilities might lead to a policy that is more culturally sensitive and pays greater attention towards social forces.

With regards to global economic forces, where *Oportunidades* fails to compensate for the ongoing regionalization process that affects Oaxaca and its neighboring states, the capability approach does not contain suggestions for improvement. Scholars that have criticized the approach for a lack of attention towards such forces are in agreement with the findings in this analysis. However, this does not imply that the capability approach is incapable of addressing these issues. Rather, it shows that in relation to certain issues and contexts, there is a need for supplementary theories in order to allow for comprehensive analyses.

Finally, evaluative exercises were discussed, and it was found that there are certain aspects within *Oportunidades* that resembles the suggestions made by the

capability approach. The program's evaluative assessments focus on achieved functionings of nutrition, health and education, and these are factors that are of importance within a capability perspective. However, a move from achieved functionings to the assessment of individual capabilities might enhance the understanding of policy performance, as it would also include the measurement of other freedoms that are of intrinsic importance to beneficiaries.

This led to an attempt at answering whether the capability approach can be operationalized in the context of anti-poverty policy. Although an ambiguous issue, with no clear solutions yet, it was argued that a procedure based on local participation might make for more accurate evaluative criteria than that of *Oportunidades*' technocratic decision-making at central levels. This could imply a continued measurement of functionings levels, with an additional qualitative part that is based on beneficiaries' formulation of valuable capabilities. Albeit a complex and costly move, it would involve possibilities of a policy that might be more sensitive towards both cultural and structural conditions.

Although the discussion pointed towards the possibility of operationalizing the capability approach, no solution on how to go about that task exists. In this regard, the approach's ambiguity involves both limitations and possibilities. Limitations in as much as researchers and policy makers will refrain from applying an approach that does not include any clear recipe on how to go about. Possibilities to the extent that the approach can be adapted to local contexts where those affected by policies get to play a more decisive role.

The capability approach to human development constitutes an alternative development lens, wherein freedom represents the ultimate goal. This individual freedom indicates that the beneficiaries of social policies like *Oportunidades* become more active agents of their own development. Such an approach contradicts the somewhat top-down implementation structure that is predominant within the context of Mexico and IDB. Instead, it encourages the implementation of policies that more appropriately reflect local contexts, rather than implementing policies based on vague understandings of reality. Hopefully, this thesis and its findings contribute to a greater

understanding of the capability approach and its possibilities for anti-poverty policy. However, as the study shows, supplementary theories and analysis of local contexts are needed in order to fully grasp the potential of the capability perspective. At this point, the approach can function as a basic tool of guidance for policy makers.

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